

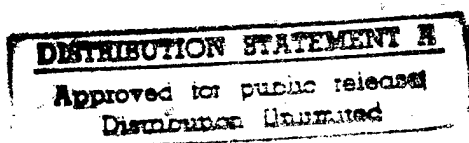
GAO

Report to the Assistant Secretary of the
Air Force (Financial Management and
Comptroller)

November 1997

FINANCIAL
MANAGEMENT

Profile of Air Force
Financial Managers



DTIC QUALITY INSPECTED 4

19971209 039



United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-278233

November 28, 1997

The Honorable Robert F. Hale
Assistant Secretary of the Air Force
(Financial Management and Comptroller)

Dear Mr. Hale:

As highlighted in our February 1997 high-risk series report,¹ one of the greatest challenges to improving financial management throughout DOD is establishing a quality, trained, professional financial management workforce. Our objective in a series of assignments is to provide information on qualifications, such as formal education, training, and professional certifications, and professional work experience of personnel serving in key financial management positions in DOD. We are obtaining this information from biographies and profile instruments provided by each manager due to concerns regarding the completeness of personnel data bases and personnel files.

This is the second of our planned reports on the qualifications and experience of DOD's financial management workforce. It contains information we obtained on key financial managers in the Department of the Air Force. We recently issued our report² on key financial managers within the office of the Under Secretary of Defense (Comptroller), and we plan to issue individual reports on the Departments of the Army and Navy. In agreement with DOD representatives, our reviews of the Air Force, Army, and Navy are confined to comparable organizations and financial management positions in the services. These positions most often include comptrollers, deputy comptrollers, and budget officers located at operational and training commands and their installations. We also plan to issue a report to the Defense Finance and Accounting Service on the data we are collecting on its key financial managers. These reports can help Defense agencies in shaping their plans to enhance the qualifications, such as education and training, of their financial management workforce, as necessary. In addition, the reports provide baseline information that can be helpful in monitoring progress. Our final report in this series will discuss the qualifications of personnel serving in key financial management positions across DOD and in private sector companies and large state governments. We will also identify those steps DOD has taken

¹High-Risk Series: Defense Financial Management (GAO/HR-97-3, February 1997).

²Financial Management: Profile of DOD Comptroller/CFO Financial Managers (GAO/AIMD-97-97, June 27, 1997).

and others it should consider implementing to enhance its financial management workforce to fully meet the objectives of the CFO Act.

This report provides qualification and professional work experience information on 4 Air Force financial management executives and 173 key financial management staff representing 79 of the 88 Air Force organizations included in our review.

Results in Brief

The four Air Force financial management executives included the Assistant Secretary of the Air Force (Financial Management and Comptroller); the Principal Deputy Assistant Secretary of the Air Force (Financial Management and Comptroller); the Deputy Assistant Secretary, Financial Operations; and the Deputy Assistant Secretary, Budget. Each of the executives had attained masters degrees. The Assistant Secretary spent 7 years at DOD, 19 years at the Congressional Budget Office, and 3 years in the private sector. The Deputy Assistant Secretaries had DOD careers ranging from 27 to 31 years, with one of the three also spending part of his career at another federal agency and in the private sector. None held professional certifications.

Of the 173 other key Air Force financial managers responding to our review:

- Almost 70 percent (117) were military officers, serving mainly as comptrollers and budget officers at major commands and as comptrollers at installations; and 56 were civilian personnel serving mainly in budget officer positions at installations.
- All of the 117 officers and 41 of the 56 civilians reported holding bachelors degrees. About 30 percent of these respondents majored in accounting, while approximately 50 percent majored in other business-related areas.
- One hundred twenty-nine (99 officers and 30 civilians) also reported holding advanced degrees. About two-thirds of these degrees were in business-related majors other than accounting. The majors of the remaining respondents were not business-related. Two civilians also held doctoral degrees, one in business administration and the other in law.
- The officers' careers ranged from 3 to 38 years, averaging 18 years, while the civilians' careers ranged from 12 to 44 years, averaging 27 years. Those officers with less than 12 years of experience were most often assigned as budget officers at installations. About 50 percent of all respondents, officers and civilians, reported performing tasks throughout their careers in several financial management-related functions included in our review.

- One hundred thirty-one respondents (86 officers and 45 civilians) reported receiving training during 1995 and 1996. Of these, 9 out of every 10 listed general topics, such as computers and supervision, as examples of the training completed. About one-half also reported completing financial-related training during this period, while only about 2 out of 10 reported completing accounting-related training, such as accounting standards and financial reporting.
- About 20 percent of the respondents reported holding one or more financial management-related certifications. Of the 32 holding certificates, 6 were Certified Public Accountants (CPA),³ 6 were Certified Government Financial Managers (CGFM),⁴ and 24 were others, such as Certified Cost Analyst and Certified Acquisition Professional in Financial Management and Comptrollership.

Requirements for Financial Managers

The Chief Financial Officers (CFO) Act of 1990 was enacted to address longstanding problems in financial management in the federal government. The act established CFO positions throughout the federal government and mandated that, within each of the largest federal departments and agencies, the CFO oversee all financial management activities relating to the programs and operations of the agency. Among the key responsibilities of CFOs are overseeing the recruitment, selection, and training of personnel to carry out agency financial management functions.

Recognizing that a qualified workforce was fundamental to achieving the objectives of the CFO Act and other related management reform legislation aimed at improving federal financial management, the Human Resources Committee of the Chief Financial Officers Council and the Joint Financial Management Improvement Program (JFMIP)⁵ have proposed improvements addressing the recruitment, training, retention, and performance of federal financial management personnel. In November 1995, JFMIP published the

³The CPA certification program has existed since 1917. State organizations administer this program, awarding the certificate based on the applicant's formal education, professional work experience, and successful completion of a comprehensive examination developed by the American Institute of Certified Public Accountants.

⁴The CGFM program was initiated by the Association of Government Accountants in July 1994. Until June 30, 1996, the certificate was awarded based on an evaluation of an applicant's formal education and professional work experience in government financial management. Since then, certifications have also required the successful completion of three comprehensive examinations covering (1) the governmental environment, (2) governmental accounting, financial reporting, and budgeting, and (3) governmental financial management and control.

⁵JFMIP is a joint and cooperative undertaking of the Office of Management and Budget, General Accounting Office, Department of the Treasury, and Office of Personnel Management to improve and coordinate financial management policies and practices throughout the government.

Framework for Core Competencies for Financial Management Personnel in the Federal Government,⁶ designed to highlight the knowledge, skills, and abilities that accountants, budget analysts, and other financial managers in the federal government should possess or develop to perform their functions effectively in accordance with the CFO Act. JFMIP stressed the need for federal government financial managers to be well-equipped to contribute to financial management activities, such as the execution of budgets, under increasingly constrained resource caps and the preparation, analysis, and interpretation of consolidated financial statements.

A primary goal in this body of work is to obtain and share with DOD information on the formal education, professional work experience, training, and professional certifications of key financial managers in the department, including each of the military services and the Defense Finance and Accounting Service.

Objective, Scope, and Methodology

The objective of this assignment is to provide information on the formal education, professional work experience, training, and professional certifications of personnel serving in key financial management positions in the Air Force. We obtained this information from biographies and profile instruments due to concerns regarding the completeness of personnel data bases and personnel files. We worked with Air Force officials to determine the key financial management positions to be included in this review. These positions typically were comptrollers, deputy comptrollers, and budget officers serving at operational and training commands. In agreement with Air Force officials, we did not verify the information contained in the biographies and profiles provided by the respondents. A more detailed discussion of our scope and methodology, including a description of how we obtained qualifications and work experience data, is in appendix I.

We performed our audit work from January through September 1997. The Assistant Secretary of the Air Force (Financial Management and Comptroller) provided comments on a draft of this report. These comments are discussed in the "Agency Comments and Our Evaluation" section of this report and are reprinted in appendix VII.

⁶Framework for Core Competencies for Financial Management Personnel in the Federal Government, A Joint Project of the Human Resources Committee of the Chief Financial Officers Council and the Joint Financial Management Improvement Program, November 1995.

Profile of Air Force
Financial
Management
Executives

Table 1 shows the formal education and careers of the Department of the Air Force’s four executives included in our review. All four had attained both bachelor’s and master’s degrees, with majors including accounting, economics, public administration, operations research, public budgeting and finance, and history and political science. The Assistant Secretary had spent 7 years at DOD, 19 years at the Congressional Budget Office, and 3 years in the private sector. The three Deputy Assistant Secretaries’ DOD careers ranged from 27 to 31 years. In addition to his 27-year career at DOD, one also spent 2 years at the Department of the Interior and 3 years in the private sector. All four executives have served in financial management-related positions during most of their DOD careers. None held professional certifications.

Table 1: Profile of Air Force Financial Management Executives

| Assistant Secretary of the Air Force (Financial Management and Comptroller) | |
|--|---|
| Education | Bachelor’s Degree in Mathematics and Statistics Master’s Degree in Operations Research and Business Administration |
| Career | DOD - 7 years; Congressional Budget Office - 19 years; private sector - 3 years |
| Principal Deputy Assistant Secretary of the Air Force (Financial Management and Comptroller) | |
| Education | Bachelor’s Degree in Economics Master’s Degree in Economics |
| Career | DOD - 31 years |
| Deputy Assistant Secretary, Financial Operations | |
| Education | Bachelor’s Degree in History and Political Science Master’s Degree in Public Administration |
| Career | DOD - 27 years; Department of the Interior - 2 years; private sector - 3 years |
| Deputy Assistant Secretary, Budget | |
| Education | Bachelor’s Degree in Accounting and Finance Master’s Degree in Public Budgeting and Finance |
| Career | DOD - 29 years |

Profile of Air Force
Key Financial
Managers

In collaboration with Air Force officials, we identified 204 key financial managers across the Department for this review, of which 173 (or 85 percent) provided information on their qualifications and experience. Respondents included

- all 10 staff from the Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller)—SAF/FM&C,
- 106 of 129 staff from four operational commands and their installations,
- 28 of 36 staff from the Air Education and Training Command and its installations, and
- all 29 staff from the Air Force Materiel Command and centers, including 5 air logistics centers responsible for supply and maintenance support and 3 product centers responsible for the research, development, test, and evaluation (RDT&E) and procurement of Air Force aeronautical, electronics, space, and missile systems.

The SAF/FM&C respondents performed roles involving financial operations, financial management policy, and/or budget execution. The officials responding from the major commands and installations included 76 comptrollers, 14 deputy comptrollers, 68 budget officers, and 5 working capital fund⁷ managers—the last being from the Air Force Materiel Command and its air logistics centers.

Of the 173 respondents, almost 70 percent were military officers. Table 2 provides a breakout of the 117 officers by rank and the 56 civilians by grade. The officers served mainly as comptrollers and budget officers at major commands and comptrollers at installations, and the civilians most often served in budget officer positions at installations.

Table 2: Number of Officer and Civilian Respondents

| Officers | | Civilians | |
|--------------------------|------------|------------------|-----------|
| Rank | Number | Grade | Number |
| Brigadier General (O-7) | 4 | Senior Executive | 10 |
| Colonel (O-6) | 14 | 15 | 10 |
| Lieutenant Colonel (O-5) | 32 | 14 | 6 |
| Major (O-4) | 26 | 13 | 9 |
| Captain (O-3) | 36 | 12 | 17 |
| First Lieutenant (O-2) | 5 | 11 | 4 |
| Total | 117 | Total | 56 |

Formal Education Attained

Over 90 percent of the respondents (all 117 officers and 41 of 56 civilians) reported having attained bachelor's degrees, and about 75 percent had also

⁷Working capital fund activities sell goods and services to the military services and defense agencies at the cost incurred in providing the goods or services. Customers generally reimburse these activities from their operation and maintenance funds appropriated by the Congress.

attained master's degrees. Two of the respondents also reported holding doctoral degrees.

For bachelor's degrees held, table 3 shows the number reported in accounting, other business, and nonbusiness majors. About 30 percent of these 158 respondents majored in accounting, while approximately 50 percent had other business-related majors. Six of the respondents reported more than one major.

Table 3: Bachelor's Degree Majors Reported by Air Force Financial Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 35 | 12 | 47 |
| Other business | 60 | 21 | 81 |
| Nonbusiness | 24 | 12 | 36 |
| Total degrees | 119 | 45 | 164 |

Table 4 shows the majors reported by the 99 officers and 30 civilians holding master's degrees. While none of the respondents held master's degrees in accounting, about two-thirds of these staff listed other business-related majors. Four respondents reported holding more than one major.

Table 4: Master's Degree Majors Reported by Air Force Financial Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 0 | 0 | 0 |
| Other business | 68 | 20 | 88 |
| Nonbusiness | 35 | 10 | 45 |
| Total degrees | 103 | 30 | 133 |

Of the two civilians reporting doctoral degrees, one majored in business administration and the other in law.

The key financial managers were also requested to provide information on the number of accounting-related subjects completed as part of their formal education. Of the 173 respondents, 163 had completed one or more of these subjects, as follows:

- 1-2 subjects: 29 (22 officers and 7 civilians),

-
- 3-5 subjects: 55 (37 officers and 18 civilians), and
 - 6 or more subjects: 79 (55 officers and 24 civilians).

Included in this latter group were 75 (or about 43 percent of the respondents) who reported completing both principles of accounting and intermediate accounting along with at least 4 other subjects. By completing this level of education in accounting-related subjects, these 75 staff also appear to meet the educational requirements to serve in federal GS-510 accountant⁸ positions.

Professional Work Experience Acquired

Figures 1 and 2 show the average number of years of work experience by rank for the officers and by grade for the civilians, respectively. As the figures show, both officer and civilian respondents have spent most of their careers in DOD. About 50 percent of all respondents, officers and civilians, reported performing tasks in several financial management-related functions included in our review throughout their careers.

The officers' careers ranged from 3 to 38 years, averaging 18 years, while the civilians' careers ranged from 12 to 44 years, averaging 27 years. Officers and civilians at the ranks of first lieutenant and captain and grades of GS-11 and 12 typically served in budget officer positions at installations.

⁸The typical educational requirement for GS-510 accountants is 24 credit hours in accounting-related subjects. A person completing principles of accounting and intermediate accounting subjects (typically two courses of each) and four other subjects would generally meet this hour requirement.

Figure 1: Professional Work Experience Reported by Air Force Financial Managers—Officers

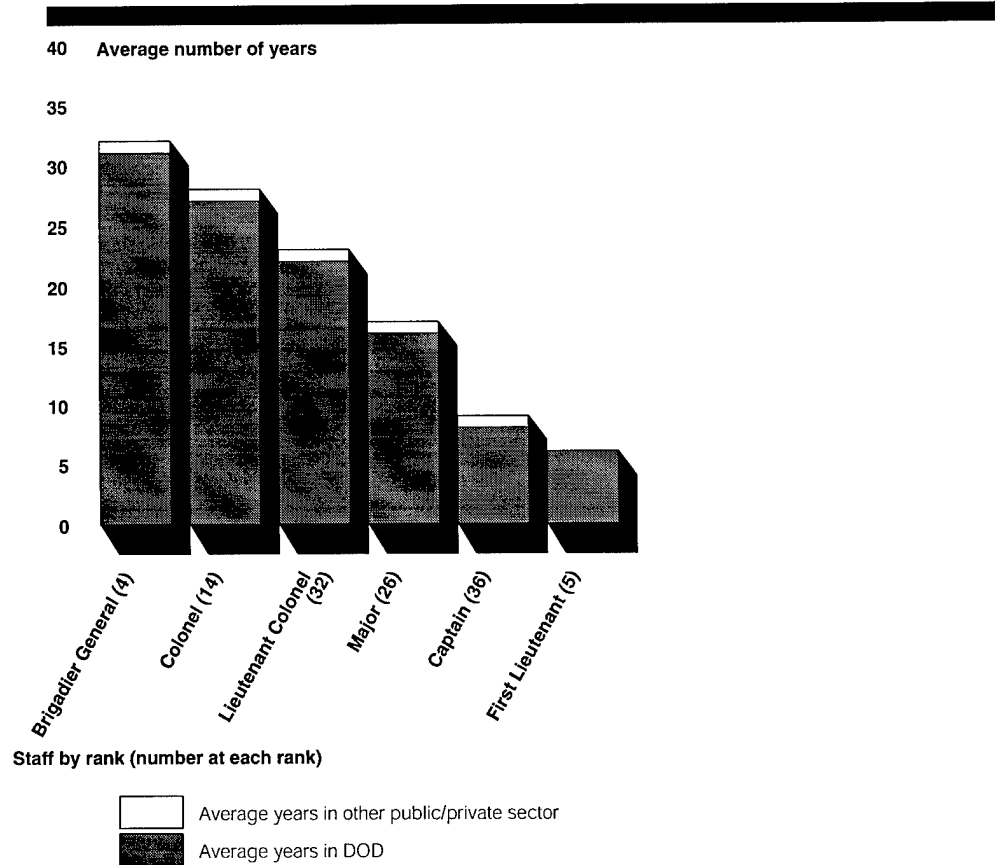
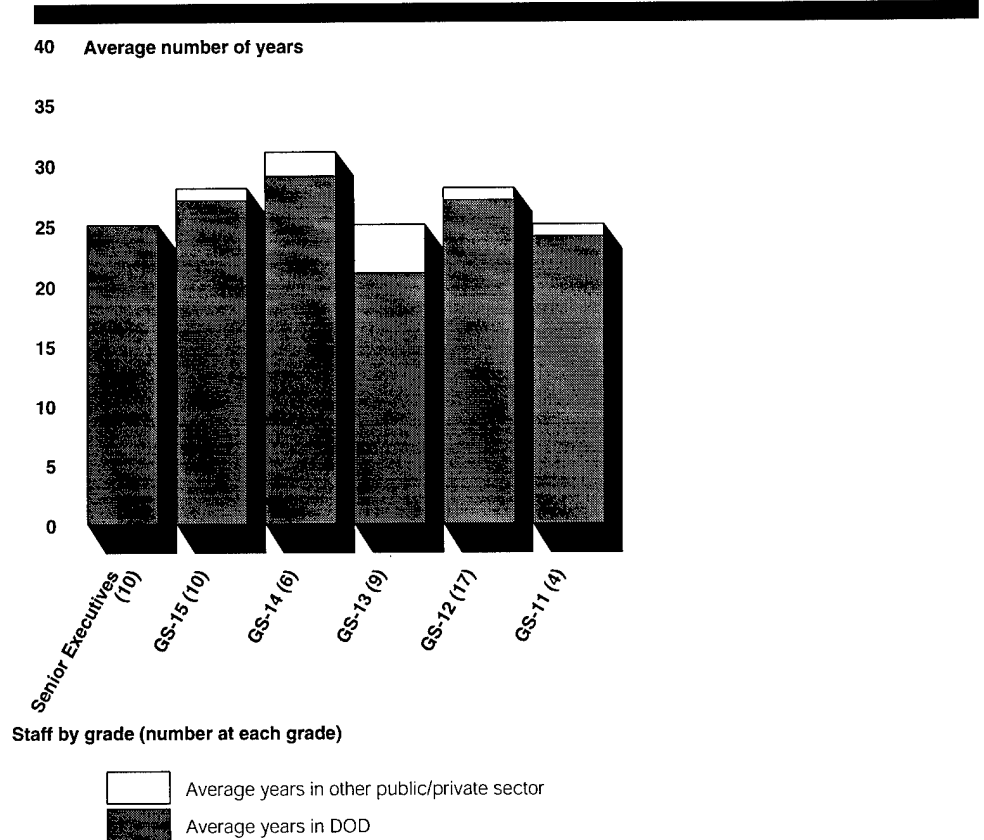


Figure 2: Professional Work Experience Reported by Air Force Financial Managers—Civilians



In collaboration with DOD officials, we identified five functions and associated tasks which are often performed by personnel serving in key financial management positions, including:

- financial statement preparation—preparing annual financial statements and footnotes;
- financial reporting/accounting policy—preparing financial reports and consulting on the application of accounting policy;
- financial analysis—performing tasks associated with cost accounting, business process improvements, budgeting, cash flow analysis, cost analysis, revenue and expenditure forecasting, and other analysis of financial position and operations;
- accounting operations—recording and reporting accounting transactions; and

- accounting systems development and maintenance—performing tasks associated with functional design and maintenance of accounting and finance systems.

Fifty-five officers and 28 civilians, or almost one-half of each group, reported that they had performed tasks in 3 or more of these functions during their careers. Figures 3 and 4 show the number of officers and civilians who indicated that they had performed each function and the average number of years of experience in that function. For example, as shown in figure 3, 114 of the 117 officers have performed financial analysis-related tasks for an average of 9 years.

Figure 3: Experience in Financial Management Functions Reported by Air Force Financial Managers—Officers

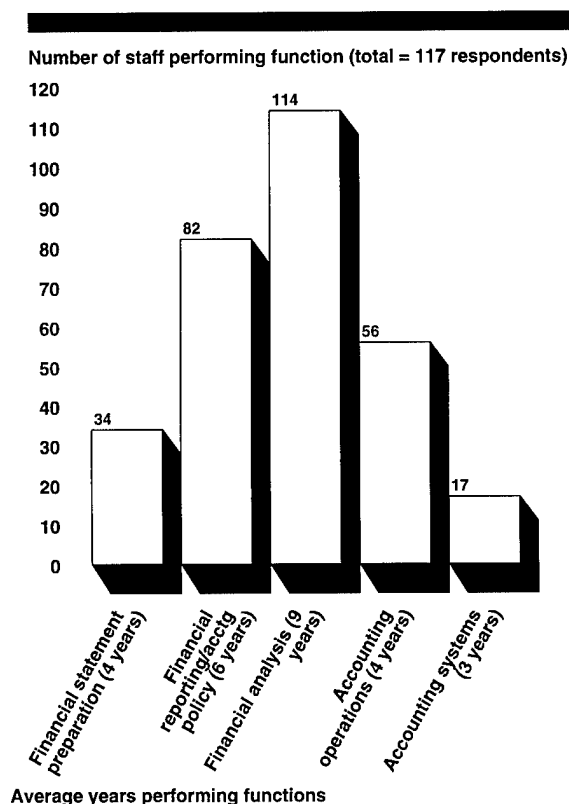
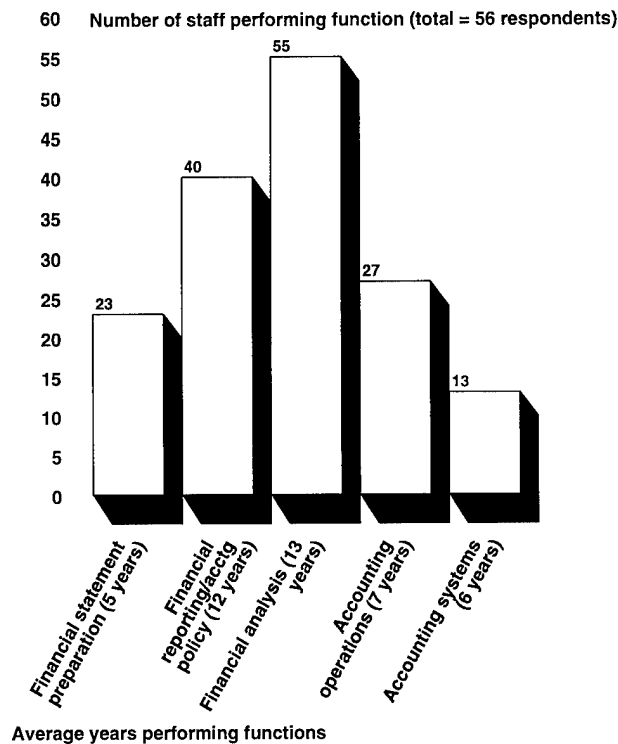


Figure 4: Experience in Financial Management Functions Reported by Air Force Financial Managers—Civilians

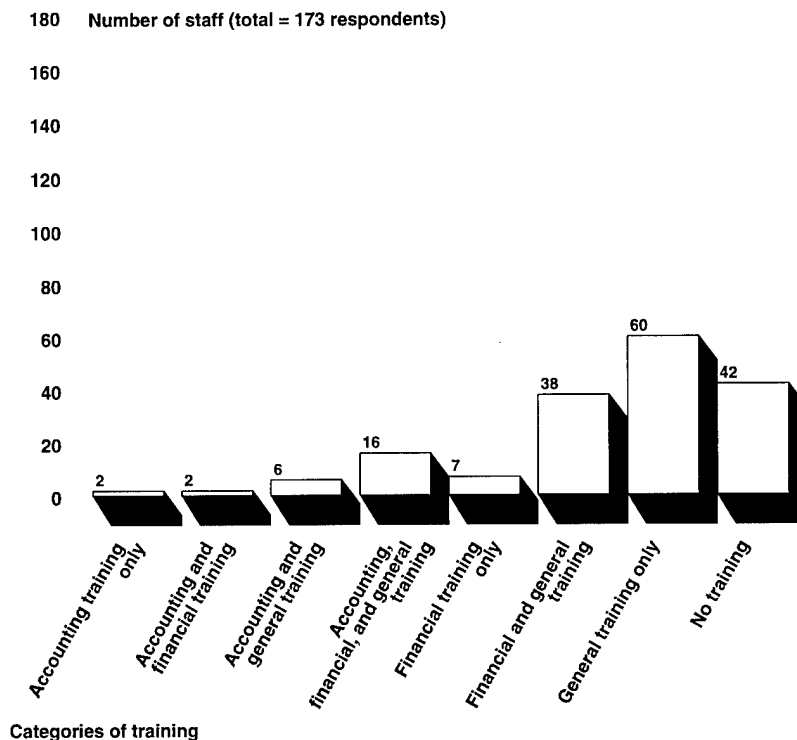


Training Completed During 1995 and 1996

During 1995 and 1996, about 75 percent of the officers and 80 percent of the civilians reported completing some form of training. Of the 86 officers and 45 civilians receiving training, 9 out of 10 listed general topics, such as computers and supervision, as examples of the training they had completed. Meanwhile, about one-half of both officers and civilians reported completing some training in financial-related topics, while only about 2 out of 10 reported completing training in accounting-related topics, such as accounting standards and financial reporting.

Figure 5 shows the type of training completed during the 2-year period as reported by the 173 respondents.

Figure 5: Training Reported by Air Force Financial Managers During 1995 and 1996



As indicated in the figure:

- total receiving accounting-related training: 26 (18 officers and 8 civilians),
- total receiving financial-related training: 63 (42 officers and 21 civilians),
- total receiving training in general topics: 120 (79 officers and 41 civilians), and
- total not receiving training: 42 (31 officers and 11 civilians).

Professional Certifications Held

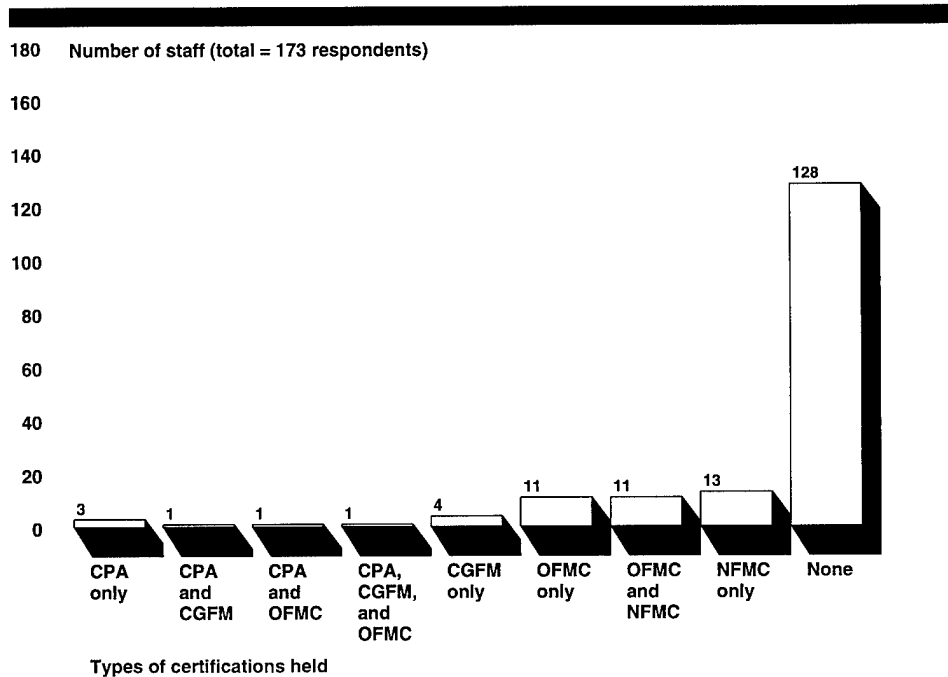
Almost 20 percent of the respondents reported holding financial management-related certifications. Figure 6 shows the numbers and types of professional certifications reported by the Air Force financial managers. Of the 32 respondents holding one or more financial management-related certifications,

- 6 were CPAS (3 officers and 3 civilians),

- 6 were CGFMS (3 officers and 3 civilians), and
- 24 held other financial management-related certifications (11 officers and 13 civilians).

Also, 24 staff reported nonfinancial management-related certifications, including 15 officers and 9 civilians. Of the 128 staff that did not hold any professional certifications, 91 were officers and 37 were civilians.

Figure 6: Professional Certifications Reported by Air Force Financial Managers



CPA: Certified Public Accountant

CGFM: Certified Government Financial Manager

OFMC: Other financial management certifications

NFMC: Nonfinancial management certifications

Appendixes II through VI provide the formal education, professional work experience, training, and professional certification data for the 117 officers and 56 civilians by their respective organizations, including:

-
- SAF/FM&C in appendix II,
 - 4 operational commands and 51 of their 57 installations in appendix III,
 - the Air Education and Training Command and 13 of its 16 installations in appendix IV,
 - Air Force Materiel Command (AFMC) and the five air logistics centers in appendix V, and
 - AFMC and three product centers in appendix VI.

Agency Comments and Our Evaluation

In commenting on a draft of this report, the Air Force generally concurred with the contents and stated that it believed the information will help its evaluation of military and civilian career programs to ensure Air Force financial managers provide the best possible service to customers. The Air Force expressed concern, however, that parts of the report seemed to overly emphasize the need for accounting courses and training. Regarding the Air Force's concern, this report presents information on a number of measures relating to qualifications and experience of key Air Force financial managers, who are serving in positions responsible for the fiscal and budgetary management of the data used to prepare financial reports and statements. As agreed with Air Force officials, information on formal education and training, including accounting training, are among such important measures. As the Air Force response indicates, this information will help the Department evaluate its military and civilian career programs to ensure Air Force financial managers provide the best possible service to customers.

The Air Force's comments are reprinted in appendix VII. Also, the Air Force provided a number of technical comments, which were fully addressed in finalizing our report.

We are sending copies of this report to the Chairmen and Ranking Minority Members of the Senate Committee on Governmental Affairs, the House Committee on Government Reform and Oversight, and the Subcommittee on Government Management, Information, and Technology of the House Government Reform and Oversight Committee, and to the Director of the Office of Management and Budget. Copies will also be made available to others upon request.

If you have any questions about this report, please contact me at (202) 512-9095. Major contributors to this report are listed in appendix VIII.

Sincerely yours,

A handwritten signature in cursive script, reading "Lisa G. Jacobson".

Lisa G. Jacobson
Director, Defense Audits

Contents

| | |
|--|----|
| Letter | 1 |
| Appendix I Scope and Methodology | 24 |
| Appendix II Profiles of Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller) Respondents | 33 |
| Appendix III Profiles of Operational Command and Installation Respondents | 41 |
| Appendix IV Profiles of Air Education and Training Command (AETC) and Installation Respondents | 49 |

| | |
|--|----|
| Appendix V Profiles of Working Capital Fund Respondents | 57 |
| Appendix VI Profiles of Product Center Respondents | 65 |
| Appendix VII Comments From the Department of the Air Force | 73 |
| Appendix VIII Major Contributors to This Report | 74 |
| Tables | |
| Table 1: Profile of Air Force Financial Management Executives | 5 |
| Table 2: Number of Officer and Civilian Respondents | 6 |
| Table 3: Bachelor's Degree Majors Reported by Air Force Financial Managers | 7 |
| Table 4: Master's Degree Majors Reported by Air Force Financial Managers | 7 |
| Table I.1: Air Force Major Command and Installation Key Financial Managers Included in This Review | 25 |
| Table II.1: Number of Officer and Civilian Respondents | 33 |
| Table II.2: Bachelor's Degree Majors Reported by SAF/FM&C Financial Managers | 33 |
| Table II.3: Master's Degree Majors Reported by SAF/FM&C Financial Managers | 34 |
| Table III.1: Operational Commands' Key Financial Manager Population and Respondents and Operation and Maintenance Budgets for Fiscal Year 1997 | 41 |
| Table III.2: Number of Officer and Civilian Respondents | 41 |

| | |
|---|----|
| Table III.3: Bachelor's Degree Majors Reported by Operational Command and Installation Financial Managers | 42 |
| Table III.4: Master's Degree Majors Reported by Operational Command and Installation Financial Managers | 42 |
| Table IV.1: Number of Officer and Civilian Respondents | 49 |
| Table IV.2: Bachelor's Degree Majors Reported by Training Command and Installation Financial Managers | 49 |
| Table IV.3: Master's Degree Majors Reported by Training Command and Installation Financial Managers | 49 |
| Table V.1: Number of Officer and Civilian Respondents | 57 |
| Table V.2: Bachelor's Degree Majors Reported by Working Capital Fund Financial Managers | 57 |
| Table V.3: Master's Degree Majors Reported by Working Capital Fund Financial Managers | 58 |
| Table VI.1: Number of Officer and Civilian Respondents | 65 |
| Table VI.2: Bachelor's Degree Majors Reported by Product Center Financial Managers | 65 |
| Table VI.3: Master's Degree Majors Reported by Product Center Financial Managers | 66 |

Figures

| | |
|---|----|
| Figure 1: Professional Work Experience Reported by Air Force Financial Managers—Officers | 9 |
| Figure 2: Professional Work Experience Reported by Air Force Financial Managers—Civilians | 10 |
| Figure 3: Experience in Financial Management Functions Reported by Air Force Financial Managers—Officers | 11 |
| Figure 4: Experience in Financial Management Functions Reported by Air Force Financial Managers—Civilians | 12 |
| Figure 5: Training Reported by Air Force Financial Managers During 1995 and 1996 | 13 |
| Figure 6: Professional Certifications Reported by Air Force Financial Managers | 14 |
| Figure I.1: Profile Instrument Used to Collect Qualification and Experience Information on Air Force Financial Managers | 28 |
| Figure II.1: Professional Work Experience Reported by SAF/FM&C Financial Managers—Officers | 35 |
| Figure II.2: Professional Work Experience Reported by SAF/FM&C Financial Managers—Civilians | 36 |
| Figure II.3: Experience in Financial Management Functions Reported by SAF/FM&C Financial Managers—Officers | 37 |

| | |
|--|----|
| Figure II.4: Experience in Financial Management Functions Reported by SAF/FM&C Financial Managers—Civilians | 38 |
| Figure II.5: Training Reported by SAF/FM&C Financial Managers During 1995 and 1996 | 39 |
| Figure II.6: Professional Certifications Reported by SAF/FM&C Financial Managers | 40 |
| Figure III.1: Professional Work Experience Reported by Operational Command and Installation Financial Managers—Officers | 43 |
| Figure III.2: Professional Work Experience Reported by Operational Command and Installation Financial Managers—Civilians | 44 |
| Figure III.3: Experience in Financial Management Functions Reported by Operational Command and Installation Financial Managers—Officers | 45 |
| Figure III.4: Experience in Financial Management Functions Reported by Operational Command and Installation Financial Managers—Civilians | 46 |
| Figure III.5: Training Reported by Operational Command and Installation Financial Managers During 1995 and 1996 | 47 |
| Figure III.6: Professional Certifications Reported by Operational Command and Installation Financial Managers | 48 |
| Figure IV.1: Professional Work Experience Reported by Training Command and Installation Financial Managers—Officers | 51 |
| Figure IV.2: Professional Work Experience Reported by Training Command and Installation Financial Managers—Civilians | 52 |
| Figure IV.3: Experience in Financial Management Functions Reported by Training Command and Installation Financial Managers—Officers | 53 |
| Figure IV.4: Experience in Financial Management Functions Reported by Training Command and Installation Financial Managers—Civilians | 54 |
| Figure IV.5: Training Reported by Training Command and Installation Financial Managers During 1995 and 1996 | 55 |
| Figure IV.6: Professional Certifications Reported by Training Command and Installation Financial Managers | 56 |
| Figure V.1: Professional Work Experience Reported by Working Capital Fund Financial Managers—Officers | 59 |
| Figure V.2: Professional Work Experience Reported by Working Capital Fund Financial Managers—Civilians | 60 |

| | |
|--|----|
| Figure V.3: Experience in Financial Management Functions Reported by Working Capital Fund Financial Managers—Officers | 61 |
| Figure V.4: Experience in Financial Management Functions Reported by Working Capital Fund Financial Managers—Civilians | 62 |
| Figure V.5: Training Reported by Working Capital Fund Financial Managers During 1995 and 1996 | 63 |
| Figure V.6: Professional Certifications Reported by Working Capital Fund Financial Managers | 64 |
| Figure VI.1: Professional Work Experience Reported by Product Center Financial Managers—Officers | 67 |
| Figure VI.2: Professional Work Experience Reported by Product Center Financial Managers—Civilians | 68 |
| Figure VI.3: Experience in Financial Management Functions Reported by Product Center Financial Managers—Officers | 69 |
| Figure VI.4: Experience in Financial Management Functions Reported by Product Center Financial Managers—Civilians | 70 |
| Figure VI.5: Training Reported by Product Center Financial Managers During 1995 and 1996 | 71 |
| Figure VI.6: Professional Certifications Reported by Product Center Financial Managers | 72 |

Contents

Abbreviations

| | |
|----------|--|
| ACC | Air Combat Command |
| AETC | Air Education and Training Command |
| AFMC | Air Force Materiel Command |
| ALC | air logistics center |
| AMC | Air Mobility Command |
| CFO | chief financial officer |
| CGFM | Certified Government Financial Manager |
| CPA | Certified Public Accountant |
| DFAS | Defense Finance and Accounting Service |
| DOD | Department of Defense |
| FMFIA | Federal Managers' Financial Integrity Act |
| JFMIP | Joint Financial Management Improvement Program |
| GMRA | Government Management Reform Act |
| GPRA | Government Performance and Results Act |
| O&M | operation and maintenance |
| PACAF | Pacific Air Forces |
| RDT&E | research, development, test, and evaluation |
| SAF/FM&C | Assistant Secretary of the Air Force (Financial Management and Comptroller) |
| USAFE | U.S. Air Forces in Europe |

Scope and Methodology

In collaboration with Air Force officials, we identified Air Force financial managers to be included in this review as those serving in key positions throughout the department. For the most part, these positions included comptrollers, deputy comptrollers, and budget officers at operational and training commands and their installations. The types of Air Force organizations from which we selected financial managers are similar to those we are reviewing in the other services. In addition to the office of the assistant secretary for financial management for each military service, we are also focusing on operational and training organizations, working capital fund activities, and activities involved in the research, development, test, evaluation, and procurement of major systems.

In the Air Force, the 208 key financial managers selected for this review included:

- 4 senior executives in the Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller)—SAF/FM&C, including the Assistant Secretary of the Air Force (Financial Management and Comptroller); Principal Deputy Assistant Secretary of the Air Force (Financial Management and Comptroller); Deputy Assistant Secretary, Financial Operations; and Deputy Assistant Secretary, Budget;
- 10 SAF/FM&C staff involved in financial operations, financial management policy, and/or budget execution-related functions; and
- 194 staff serving in comptroller, deputy comptroller, budget officer, and working capital fund manager positions at 87 major commands and installations involved in operations, training, supply and maintenance, and the research, development, test, evaluation, and procurement of aircraft, missiles, and other Air Force systems, such as launch systems, satellites, and communications/electronics.

Of the 208 selected Air Force financial managers located at 88 organizations, 177 from 79 of these organizations responded to this review. The respondents included the 4 senior executives, the 10 SAF/FM&C staff, and 163 key staff from major commands and installations comprised of 76 comptrollers, 14 deputy comptrollers, 68 budget officers, and 5 working capital fund managers.

Table I.1 identifies the Air Force major commands and the number of their installations and key financial managers included in this review. Also, shown by each major command are the number of installations and respondents. The respondents are further identified by position—

comptrollers, deputy comptrollers, budget officers, and working capital managers.

We obtained fiscal year 1997 Air Force budget data, including operation and maintenance (O&M) funding for operational, training, and working capital fund and product centers from the SAF/FM&C budget office. We also obtained research, development, test, and evaluation and procurement funding for the product centers. Those commands and installations included in our review managed about \$25 billion of the \$60 billion Air Force budget during fiscal year 1997.

Table I.1: Air Force Major Command and Installation Key Financial Managers Included in This Review

Operational Organizations

Air Combat Command and 24 of its 27 installations (48 of the 58 staff responding included 24 comptrollers, 2 deputy comptrollers, and 22 budget officers)

Pacific Air Forces and 10 of its 12 installations (21 of the 28 staff responding included 11 comptrollers, 1 deputy comptroller, and 9 budget officers)

U.S. Air Forces in Europe and six of its seven installations (13 of the 17 staff responding included 7 comptrollers and 6 budget officers)

Air Mobility Command and its 11 installations (24 of the 26 staff responding included 12 comptrollers, 2 deputy comptrollers, and 10 budget officers)

Training Organizations

Air Education and Training Command and 13 of its 16 installations (28 of the 36 staff responding included 13 comptrollers, 2 deputy comptrollers, and 13 budget officers)

Working Capital Fund Organizations

Air Force Materiel Command and its 5 air logistics centers (all 20 staff responded, including 6 comptrollers, 4 deputy comptrollers, 5 budget officers, and 5 working capital fund managers)

Product Center Organizations

Air Force Materiel Command and its 3 product centers involved in aeronautics, electronics, and space and missile research, development, test, evaluation, and procurement efforts (all 12 staff responded, including 4 comptrollers, 4 deputy comptrollers, and 4 budget officers)

Note: The comptroller, deputy comptroller, and budget officer from the Air Force Materiel Command were included in our review of both working capital fund and product center organizations.

In an August 1988 report,¹ GAO proposed a framework for evaluating the quality of the federal workforce over time. Quantifiable measures identified in that report include specific knowledge, skills, and abilities. Using this report and the JFMIP study on core competencies, and in

¹Federal Workforce: A Framework for Studying Its Quality Over Time (GAO/PEMD-88-27, August 4, 1988).

collaboration with DOD representatives, we identified four indicators to measure the attributes that key financial managers can bring to their positions. These include formal education, professional work experience, training, and professional certifications. These attributes are being used to measure the qualifications and experience of key financial managers in the five DOD organizations included in our reviews.

We then worked with Air Force officials in developing a data collection instrument to gather the following types of information under each indicator:

- formal education: degrees attained, majors, and specific accounting and financial-related courses completed;
- professional work experience: (1) number of years working in current position, years at DOD, years in other government agencies, and years in the private sector, and (2) experience in five specific financial management-related functions;
- training: during 1995-1996, specific subjects completed related to accounting, other financial-related topics, and general topics; and
- professional certifications: CPA, CGFM, other financial management-related certifications, and other nonfinancial management-related certifications held.

For the four Air Force executives, we obtained information on their formal education, careers, and professional certifications from official biographies. For all other individuals, due to Air Force officials' concerns over the completeness of personnel files and data bases, we agreed to collect information on the four indicators using profile instruments. This procedure is being used to collect qualification and experience information from all DOD organizations in this series of assignments.

We sent profile instruments to the Office of the Secretary of the Air Force (Financial Management and Comptroller) and each major command and installation. Those activities then distributed the instruments to personnel serving in financial management positions identified for this review. We mailed more instruments to those activities from which the originals had not been received after 60 days and contacted those respondents whose profile instruments were returned with incomplete information. Through these efforts, we received profile instruments with complete information from 85 percent of the key financial managers included in this review. Figure I.1 contains the profile instrument we used to obtain personnel

qualification and experience information from Air Force financial managers.

As agreed with the Air Force, we did not attempt to verify the information contained in the biographies or the profiles we received. However, as noted above, for incomplete instruments, we contacted those individuals and obtained the missing information.

We conducted our work from January through September 1997 in accordance with generally accepted government auditing standards.

Figure I.1: Profile Instrument Used to Collect Qualification and Experience Information on Air Force Financial Managers

| PROFILE OF DOD FINANCIAL PERSONNEL | | |
|---|-------------------------------------|-------------|
| Component: Air Force | Organization tracking number: _____ | |
| Name: _____ | Grade/Series or Rank: _____ | |
| Position Title: _____ | | |
| Command/Installation: _____ | | |
| Location: _____ | Phone: (____) _____ | |
| Primary Function Performed in Current Position (SELECT ONE): | | |
| Finance Operations | _____ | |
| Accounting Functions | _____ | |
| Budget Execution/Analysis | _____ | |
| Cost/Financial Analysis | _____ | |
| Comptroller/Financial Mgmt. | _____ | |
| PROFESSIONAL CERTIFICATIONS | | |
| Please complete the information requested for any of the following professional certifications that you hold. Also, identify any other certifications you hold and the date attained. | | |
| Certified Public Accountant: | Year _____ | State _____ |
| Certified Management Accountant: | Year _____ | |
| Certified Internal Auditor: | Year _____ | |
| Certified Financial Planner: | Year _____ | |
| Certified Government Financial Manager: | Year _____ | |
| Others: | | |
| _____ | Year _____ | |
| _____ | Year _____ | |
| _____ | Year _____ | |

Appendix I
Scope and Methodology

EDUCATION

Please provide information regarding your formal education, including degree(s) attained, major(s), and accounting-related and other financial management-related courses completed. Place an "X" by the courses you have completed below as part of your undergraduate (U) or graduate (G) studies. Also, include other related courses not listed below. You may copy and add pages if more space is needed.

A. Degree Major Field of Study Year

Associate _____

Bachelor's _____

Masters _____

Other (Specify) _____

B. Accounting-related courses (place an "X" by those courses you have completed and add any related courses):

| | |
|--------------------------|-----------------|
| Principles of Accounting | _____ U _____ G |
| Intermediate Accounting | _____ U _____ G |
| Advanced Accounting | _____ U _____ G |
| Cost Accounting | _____ U _____ G |
| Managerial Accounting | _____ U _____ G |
| Governmental Accounting | _____ U _____ G |
| Auditing | _____ U _____ G |
| Taxes | _____ U _____ G |
| Business Law | _____ U _____ G |
| _____ | _____ U _____ G |
| _____ | _____ U _____ G |
| _____ | _____ U _____ G |

C. Other financial management-related courses (place an "X" by those courses you have completed and add any related courses):

| | |
|------------|-----------------|
| Finance | _____ U _____ G |
| Economics | _____ U _____ G |
| Statistics | _____ U _____ G |
| _____ | _____ U _____ G |
| _____ | _____ U _____ G |
| _____ | _____ U _____ G |

Appendix I
Scope and Methodology

CONTINUING PROFESSIONAL EDUCATION

This section requests information concerning the continuing professional education you have received from January 1, 1995 through December 31, 1996. For the table on page 4, please place an "X" by those subjects you have completed during the two-year period. If needed, you may attach another page for other courses you have completed during the two-year period.

Appendix I
Scope and Methodology

| Subjects Completed in 1996 and 1995 | | 1996 | 1995 |
|---|--|------|------|
| General: | | | |
| Supervision | | | |
| Computer-Related | | | |
| Diversity-Related | | | |
| Personnel/Team Management | | | |
| Communication Skills | | | |
| Strategic Planning/Project Management | | | |
| Accounting Focus: | | | |
| CFO Act/Government Management Reform Act (GMRA) | | | |
| Accounting Standards and Procedures | | | |
| Accounting Policy | | | |
| Standard General Ledger | | | |
| Federal Financial Reports/Statements | | | |
| Plant, Property, and Equipment | | | |
| Liabilities | | | |
| Financial/Budget/Financial Management Focus: | | | |
| Government Performance and Results Act (GPRA) | | | |
| Budget Policy/Formulation | | | |
| Budget Execution | | | |
| Appropriations Law | | | |
| Federal Managers Financial Integrity Management Act (FMFIA) | | | |
| Civilian/Military Pay | | | |
| Travel Pay | | | |
| Vendor Pay | | | |
| Cost Estimate Analysis | | | |
| Others (Please list): | | | |
| | | | |
| | | | |

PROFESSIONAL WORK EXPERIENCE

1. Please indicate the number of years that you have worked in the following sectors since beginning your professional career, either after high school or college.

DOD: ____ years Other Government: ____ years Private Sector: ____ years

2. Provide the number of years you have been working in your current position: ____ years

3. Please provide the number of years during your career that you have worked in the following functions:

- a. Financial Statement Preparation: ____ years

(Included are those personnel who work primarily in preparing annual financial statements and footnotes <including adjusting entries, closing entries, and trial balances>).

- b. Financial Reporting/Accounting Policy: ____ years

(Included are those personnel who work primarily in preparing budget execution and financial reports, as well as those advising the preparers in their application of accounting policies.)

- c. Financial Analysis: ____ years

(Included are those personnel who work primarily in cost accounting, business process improvements, budgeting, cash flow analysis, cost analysis, revenue and expenditure forecasting, and other analysis of the financial position and operations.)

- d. Accounting Operations: ____ years

(Included are those personnel who work primarily in recording and reporting receivables, receipts, disbursements, payroll, payables (civilian and military/vendor/travel pay), inventory, liabilities, and property, plant, and equipment.)

- e. Accounting Systems Development and Maintenance: ____ years

(Included are those personnel who work primarily in the functional design and maintenance of accounting and finance systems.)

Profiles of Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller) Respondents

We included 10 key financial managers in the Office of the Assistant Secretary of the Air Force (Financial Management and Comptroller)—SAF/FM&C, all of whom provided information on their qualifications and experience. This population includes four staff involved in financial operations, one staff in financial management/accounting policy, and five staff in budget execution functions. Table II.1 shows the officer and civilian composition of this staff, by rank and grade.

Table II.1: Number of Officer and Civilian Respondents

| Officers | | Civilians | |
|--------------------------|----------|------------------|----------|
| Rank | Number | Grade | Number |
| Brigadier General (O-7) | 1 | Senior Executive | 3 |
| Colonel (O-6) | 1 | 15 | 1 |
| Lieutenant Colonel (O-5) | 1 | 14 | 2 |
| Major (O-4) | 0 | 13 | 1 |
| Captain (O-3) | 0 | 12 | 0 |
| First Lieutenant (O-2) | 0 | 11 | 0 |
| Total | 3 | Total | 7 |

Formal Education Attained

As shown in table II.2, all 10 respondents have bachelor's degrees, with one of the 10 also reporting more than one major. Four of the 10 majored in accounting.

Table II.2: Bachelor's Degree Majors Reported by SAF/FM&C Financial Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 3 | 1 | 4 |
| Other business | 0 | 3 | 3 |
| Nonbusiness | 0 | 4 | 4 |
| Total degrees | 3 | 8 | 11 |

As shown in table II.3, all 10 staff also held master's degrees, nine of which were business related.

Appendix II
 Profiles of Office of the Assistant Secretary
 of the Air Force (Financial Management and
 Comptroller) Respondents

Table II.3: Master's Degree Majors
 Reported by SAF/FM&C Financial
 Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|---------------------------|
| | Officers | Civilians | |
| Accounting | 0 | 0 | 0 |
| Other business | 3 | 6 | 9 |
| Nonbusiness | 0 | 1 | 1 |
| Total degrees | 3 | 7 | 10 |

All of the 10 respondents completed one or more courses in accounting-related subjects, as follows:

- 1-2 subjects: 1 civilian,
- 3-5 subjects: 2 civilians, and
- 6 or more subjects: 7 (3 officers and 4 civilians).

All of respondents in the latter group appear to have met the educational requirements to serve in GS-510 accountant positions.

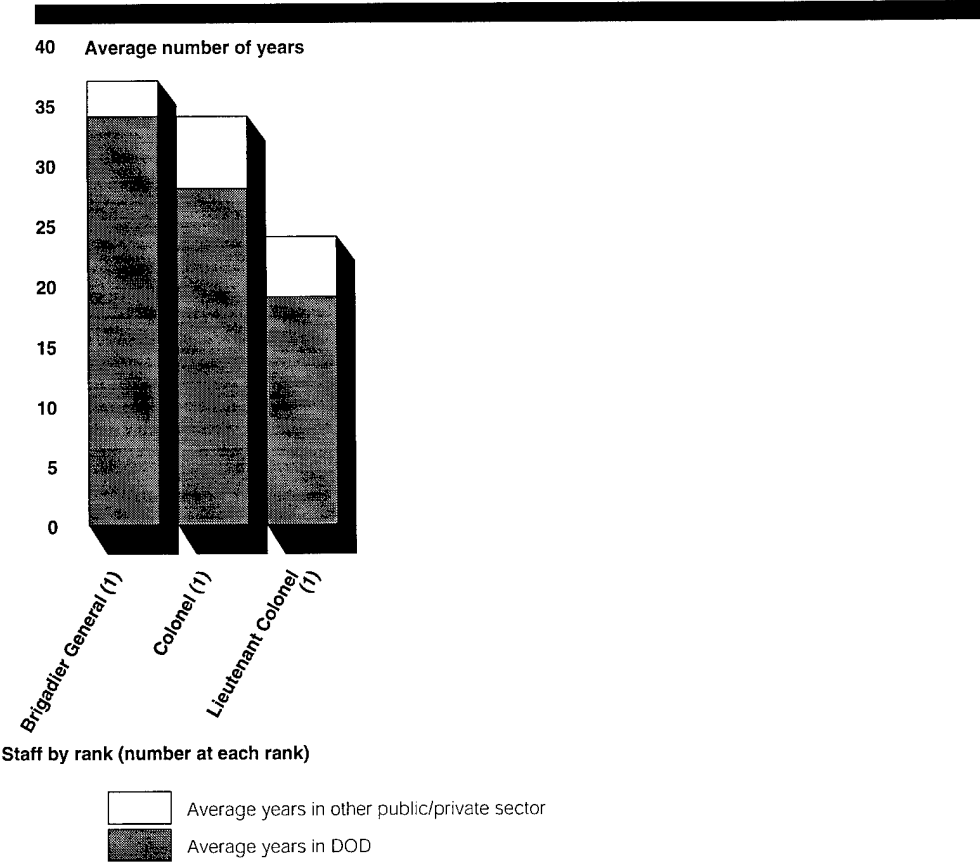
Two civilians also held doctoral degrees, one in business administration and the other in law.

Professional Work Experience Acquired

Figures II.1 and II.2 show the average number of years of work experience by rank for the three officers and by grade for the seven civilians, respectively. The average was 32 years for the officers, ranging from 24 to 37 years, and 28 years for the civilians, ranging from 22 to 44 years. As the figures show, the respondents have spent most of their careers in DOD.

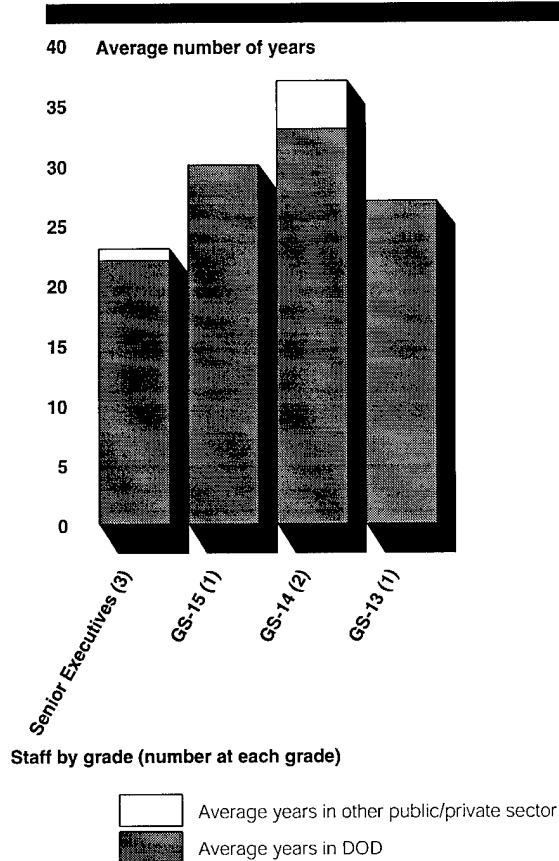
Appendix II
Profiles of Office of the Assistant Secretary
of the Air Force (Financial Management and
Comptroller) Respondents

Figure II.1: Professional Work
Experience Reported by SAF/FM&C
Financial Managers—Officers



Appendix II
Profiles of Office of the Assistant Secretary
of the Air Force (Financial Management and
Comptroller) Respondents

**Figure II.2: Professional Work
Experience Reported by SAF/FM&C
Financial Managers—Civilians**

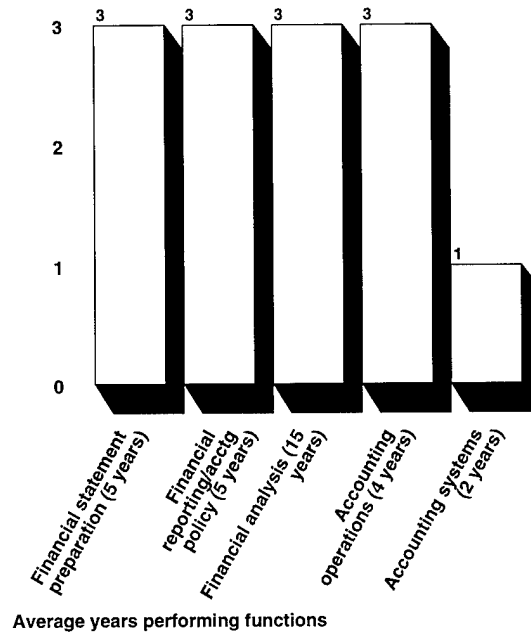


Figures II.3 and II.4 show the number of officers and civilians who indicated that they had performed each financial management function previously outlined and the average number of years of experience in that function. All of the respondents have performed financial analysis functions. A review of their profiles also showed that the three officers and six civilians have performed tasks in three or more of these functions.

Appendix II
Profiles of Office of the Assistant Secretary
of the Air Force (Financial Management and
Comptroller) Respondents

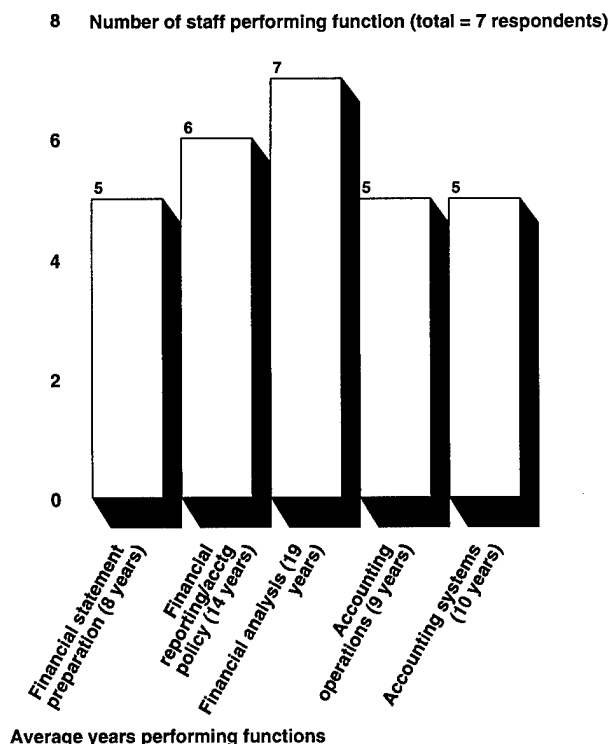
Figure II.3: Experience in Financial
Management Functions Reported by
SAF/FM&C Financial
Managers—Officers

4 Number of staff performing function (total = 3 respondents)



Appendix II
 Profiles of Office of the Assistant Secretary
 of the Air Force (Financial Management and
 Comptroller) Respondents

Figure II.4: Experience in Financial
 Management Functions Reported by
 SAF/FM&C Financial
 Managers—Civilians

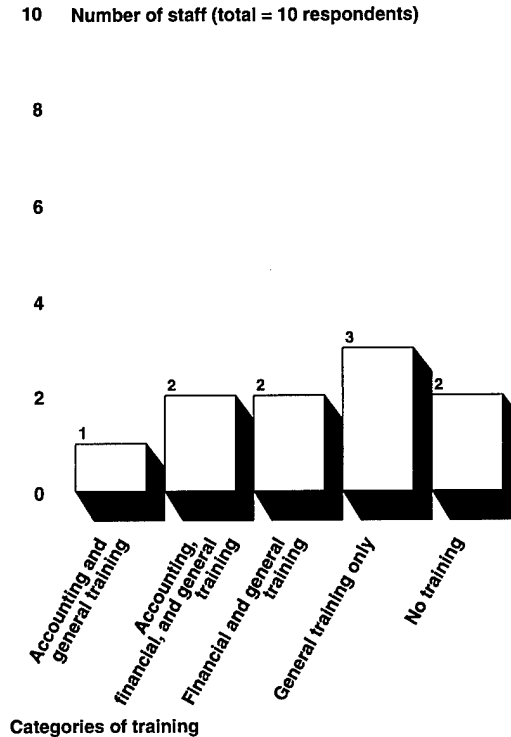


Training Completed During 1995 and 1996

Figure II.5 shows the training reported by the 10 respondents as being completed during 1995 and 1996.

Appendix II
Profiles of Office of the Assistant Secretary
of the Air Force (Financial Management and
Comptroller) Respondents

Figure II.5: Training Reported by
SAF/FM&C Financial Managers During
1995 and 1996



As indicated in the figure:

- total receiving accounting-related training: three (one officer and two civilians),
- total receiving financial-related training: four (one officer and three civilians),
- total receiving training in general topics: eight (two officers and six civilians), and
- total not receiving training: two (one officer and one civilian).

Professional Certifications Held

Figure II.6 shows the numbers and types of professional certifications held by the SAF/FM&C financial managers. Of the six holding one or more of these certifications,

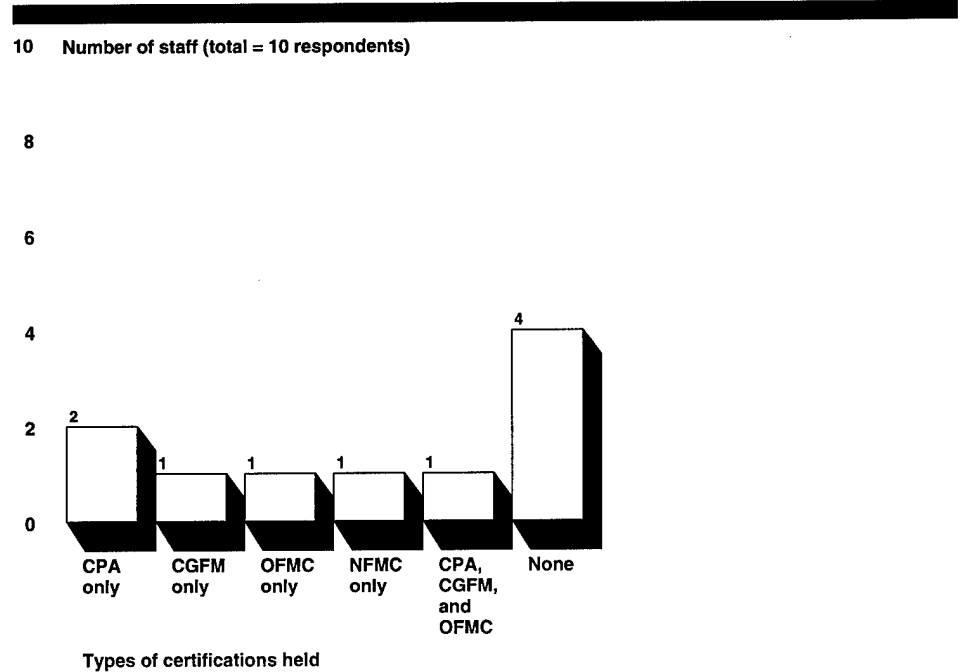
- three civilians were CPAs,

Appendix II
Profiles of Office of the Assistant Secretary
of the Air Force (Financial Management and
Comptroller) Respondents

- two civilians were CGFMS,
- one officer and one civilian held other financial management-related certifications, and
- one officer held nonfinancial management-related certifications.

Of the four staff that did not hold any professional certifications, one was an officer and three were civilians.

Figure II.6: Professional Certifications
Reported by SAF/FM&C Financial
Managers



CPA: Certified Public Accountant

CGFM: Certified Government Financial Manager

OFMC: Other financial management certifications

NFMC: Nonfinancial management certifications

Profiles of Operational Command and Installation Respondents

The four Air Force operational commands included in this review were the Air Combat Command (ACC), Pacific Air Forces (PACAF), U.S. Air Forces in Europe (USAFE), and Air Mobility Command (AMC). Surveys were sent to 129 financial managers, 106 responded, representing all four operational commands and 51 of their 57 installations. Table III.1 shows the number of installations by major command, the number of key financial managers within each command, and the number responding to this review. The table also shows the operation and maintenance (O&M) funding for fiscal year 1997 managed by each major command.

Table III.1: Operational Commands' Key Financial Manager Population and Respondents and Operation and Maintenance (O&M) Budgets for Fiscal Year 1997

| Commands and (number of installations) | Financial managers surveyed | Financial manager respondents | O&M budgets (in billions) |
|--|-----------------------------|-------------------------------|---------------------------|
| Air Combat Command (27) | 58 | 48 | \$4.1 |
| Pacific Air Forces (12) | 28 | 21 | \$1.0 |
| U.S. Air Forces in Europe (7) | 17 | 13 | \$0.8 |
| Air Mobility Command (11) | 26 | 24 | \$1.8 |
| Total (57) | 129 | 106 | \$7.7 |

Table III.2 shows the officer and civilian composition of the respondents, by rank and grade, respectively. The 106 respondents included 54 comptrollers, 5 deputy comptrollers, and 47 budget officers.

Table III.2: Number of Officer and Civilian Respondents

| Officers | | Civilians | |
|--------------------------|-----------|------------------|-----------|
| Rank | Number | Grade | Number |
| Brigadier General (O-7) | 1 | Senior Executive | 0 |
| Colonel (O-6) | 7 | 15 | 0 |
| Lieutenant Colonel (O-5) | 25 | 14 | 0 |
| Major (O-4) | 19 | 13 | 2 |
| Captain (O-3) | 31 | 12 | 14 |
| First Lieutenant (O-2) | 5 | 11 | 2 |
| Total | 88 | Total | 18 |

Formal Education Attained

As shown in table III.3, 96 of the 106 respondents held bachelor's degrees, with one of the 96 also reporting more than one major. The major for 25 of these respondents was accounting.

**Table III.3: Bachelor's Degree Majors
Reported by Operational Command
and Installation Financial Managers**

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|---------------------------|
| | Officers | Civilians | |
| Accounting | 24 | 1 | 25 |
| Other business | 48 | 7 | 55 |
| Nonbusiness | 17 | 0 | 17 |
| Total degrees | 89 | 8 | 97 |

As shown in table III.4, 79 staff also held master's degrees, with 4 of these staff also reporting more than one major. The majors for 52 of these staff were business related.

**Table III.4: Master's Degree Majors
Reported by Operational Command
and Installation Financial Managers**

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|---------------------------|
| | Officers | Civilians | |
| Accounting | 0 | 0 | 0 |
| Other business | 50 | 3 | 53 |
| Nonbusiness | 28 | 2 | 30 |
| Total degrees | 78 | 5 | 83 |

Of the 106 respondents, 100 (86 officers and 14 civilians) completed one or more courses in accounting-related subjects, as follows:

- 1-2 subjects: 21 (18 officers and 3 civilians),
- 3-5 subjects: 33 (26 officers and 7 civilians), and
- 6 or more subjects: 46 (42 officers and 4 civilians).

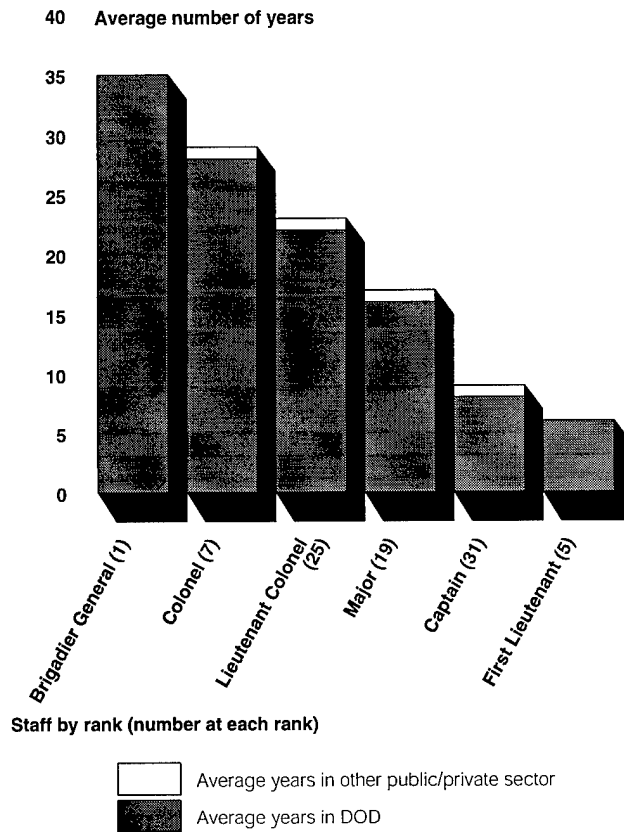
Of the latter group, 41 officers and 3 civilians appear to have met the educational requirements to serve in GS-510 accountant positions.

Professional Work Experience Acquired

Figures III.1 and III.2 show the average number of years of work experience by rank for the 88 officers and by grade for the 18 civilians. The average was 16 years for the officers, ranging from 3 to 35 years, and 27 years for the civilians, ranging from 19 to 44 years. As the figures show, the respondents have spent most of their careers in DOD.

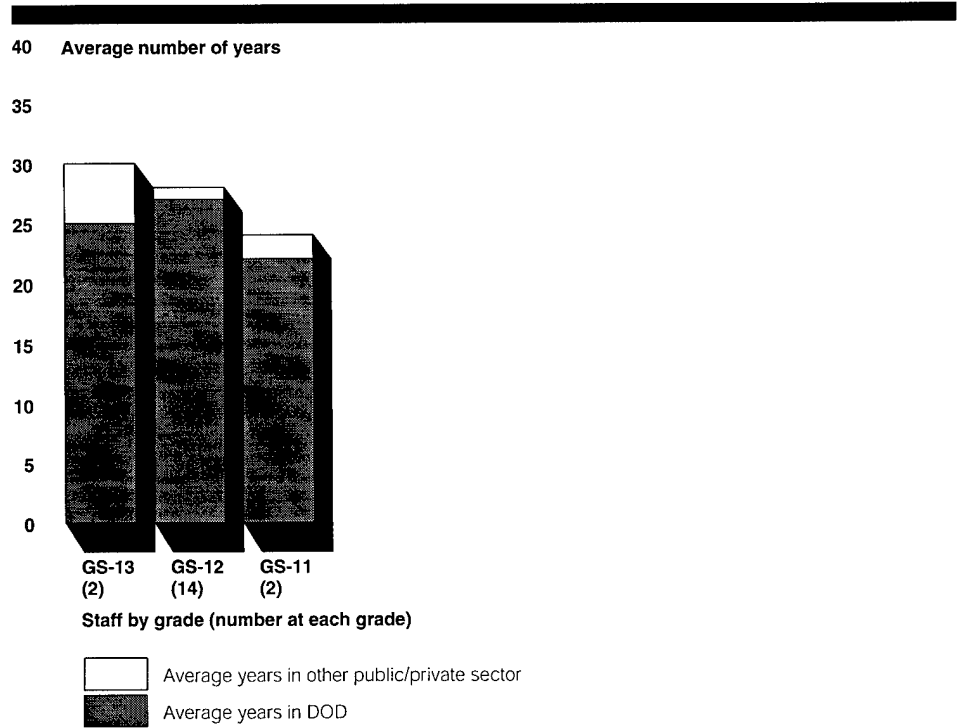
Appendix III
Profiles of Operational Command and
Installation Respondents

**Figure III.1: Professional Work
Experience Reported by Operational
Command and Installation Financial
Managers—Officers**



Appendix III
Profiles of Operational Command and
Installation Respondents

Figure III.2: Professional Work
Experience Reported by Operational
Command and Installation Financial
Managers—Civilians



Figures III.3 and III.4 show the number of officers and civilians who indicated that they had performed each financial management function previously outlined and the average number of years of experience in that function. Financial analysis was the function performed most frequently. A review of their profiles also showed that 37 officers and 7 civilians have performed tasks in 3 or more of these functions.

Appendix III
Profiles of Operational Command and
Installation Respondents

Figure III.3: Experience in Financial
Management Functions Reported by
Operational Command and Installation
Financial Managers—Officers

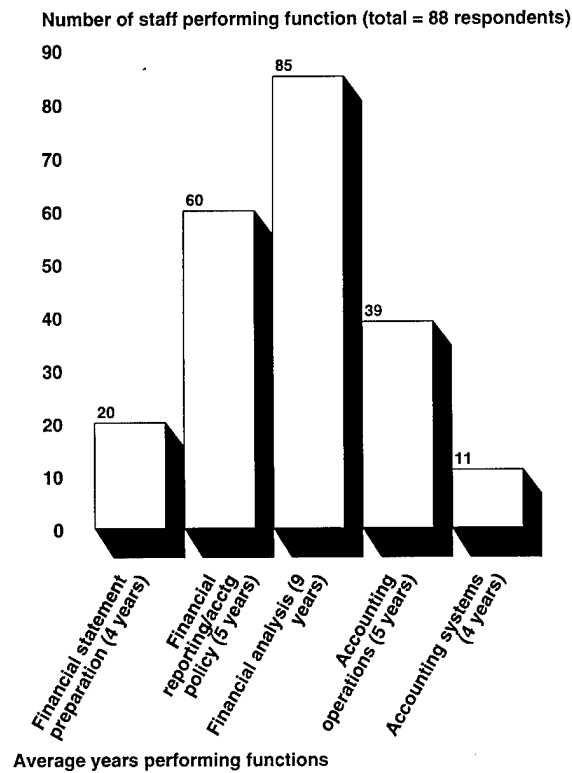
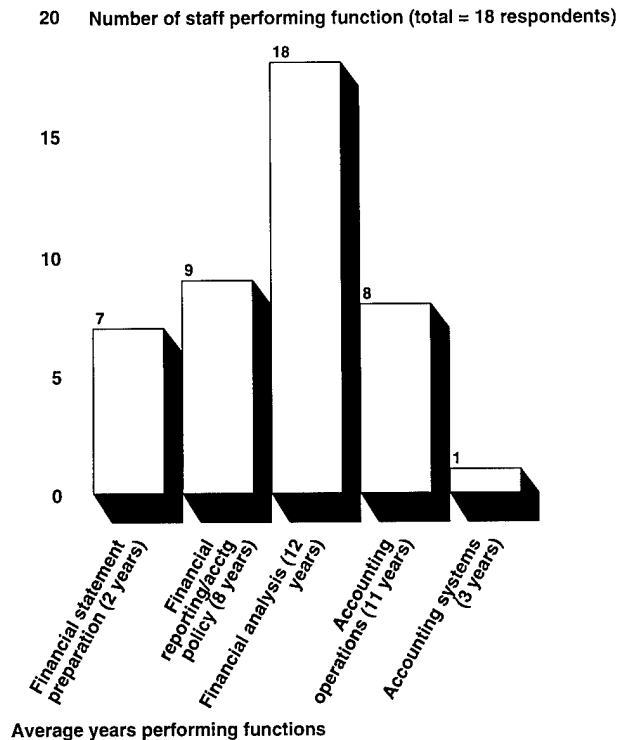


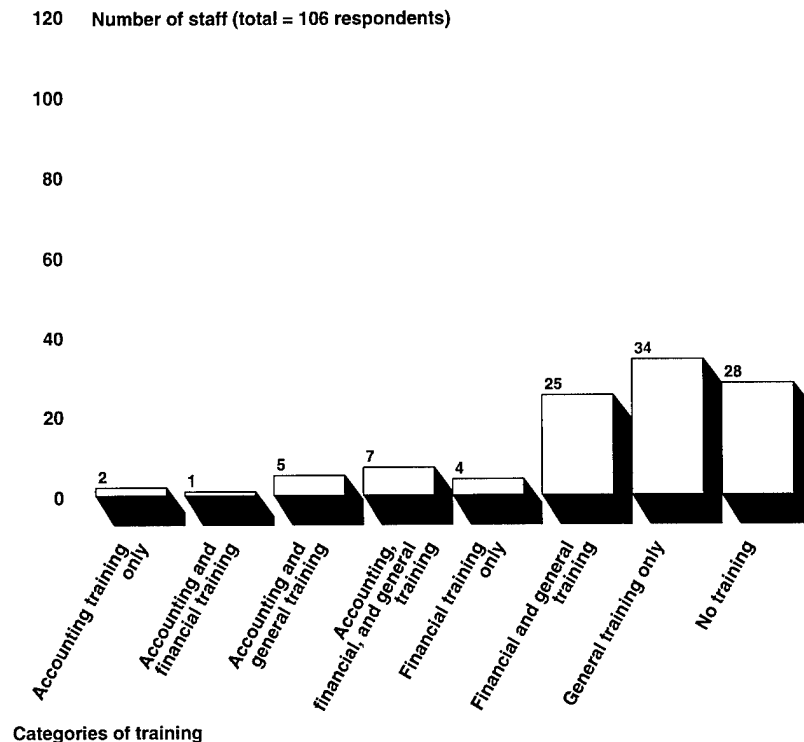
Figure III.4: Experience in Financial Management Functions Reported by Operational Command and Installation Financial Managers—Civilians



Training Completed During 1995 and 1996

Figure III.5 shows the training reported by the 106 respondents as being completed during 1995 and 1996.

**Figure III.5: Training Reported by
Operational Command and Installation
Financial Managers During 1995 and
1996**



As indicated in the figure:

- total receiving accounting-related training: 15 (11 officers and 4 civilians),
- total receiving financial-related training: 37 (31 officers and 6 civilians),
- total receiving training in general topics: 71 (59 officers and 12 civilians), and
- total not receiving training: 28 (24 officers and 4 civilians).

Professional Certifications Held

Figure III.6 shows the numbers and types of professional certifications held by the key operational command and installation financial managers. Of the 19 holding one or more of these certificates:

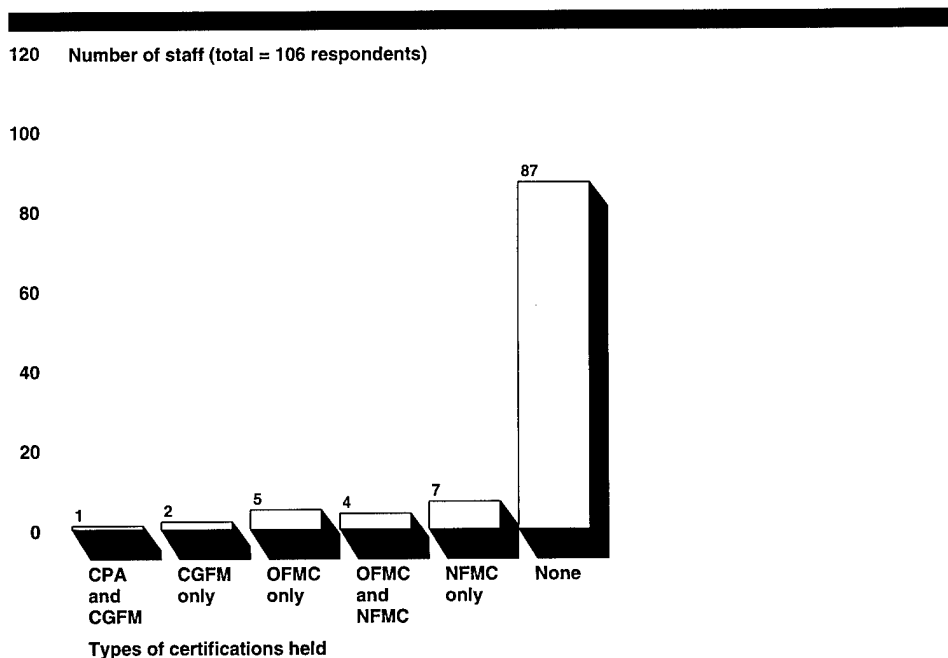
- one officer was a CPA,
- 2 officers and one civilian were CGFMS,

**Appendix III
Profiles of Operational Command and
Installation Respondents**

- 8 officers and 1 civilian held other financial management-related certifications, and
- 11 officers held nonfinancial management-related certifications.

Of the 87 staff that did not hold any professional certifications, 71 were officers and 16 were civilians.

**Figure III.6: Professional Certifications
Reported by Operational Command
and Installation Financial Managers**



CPA: Certified Public Accountant

CGFM: Certified Government Financial Manager

OFMC: Other financial management certifications

NFMC: Nonfinancial management certifications

Profiles of Air Education and Training Command (AETC) and Installation Respondents

AETC managed an O&M budget of \$1.8 billion for fiscal year 1997. As shown in table IV.1, 28 of the 36 key financial managers from AETC (representing 13 of its 16 installations) provided information on their qualifications and experience. The respondents included 13 comptrollers, 2 deputy comptrollers, and 13 budget officers.

Table IV.1: Number of Officer and Civilian Respondents

| Officers | | Civilians | |
|--------------------------|-----------|------------------|----------|
| Rank | Number | Grade | Number |
| Brigadier General (O-7) | 1 | Senior Executive | 0 |
| Colonel (O-6) | 2 | 15 | 0 |
| Lieutenant Colonel (O-5) | 4 | 14 | 0 |
| Major (O-4) | 7 | 13 | 4 |
| Captain (O-3) | 5 | 12 | 3 |
| First Lieutenant (O-2) | 0 | 11 | 2 |
| Total | 19 | Total | 9 |

Formal Education Attained

As shown in table IV.2, 24 of the 28 respondents held bachelor's degrees, with one of the 24 also reporting more than one major. Seven majored in accounting.

Table IV.2: Bachelor's Degree Majors Reported by Training Command and Installation Financial Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 5 | 2 | 7 |
| Other business | 9 | 1 | 10 |
| Nonbusiness | 6 | 2 | 8 |
| Total degrees | 20 | 5 | 25 |

As shown in table IV.3, 19 staff also held master's degrees. The majors for 14 of these staff were business related.

Table IV.3: Master's Degree Majors Reported by Training Command and Installation Financial Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 0 | 0 | 0 |
| Other business | 11 | 3 | 14 |
| Nonbusiness | 4 | 1 | 5 |
| Total degrees | 15 | 4 | 19 |

Of the 28 respondents, 26 (18 officers and 8 civilians) reported completing one or more courses in accounting-related subjects, as follows:

- 1-2 subjects: 4 (3 officers and 1 civilian),
- 3-5 subjects: 10 (8 officers and 2 civilians), and
- 6 or more subjects: 12 (7 officers and 5 civilians).

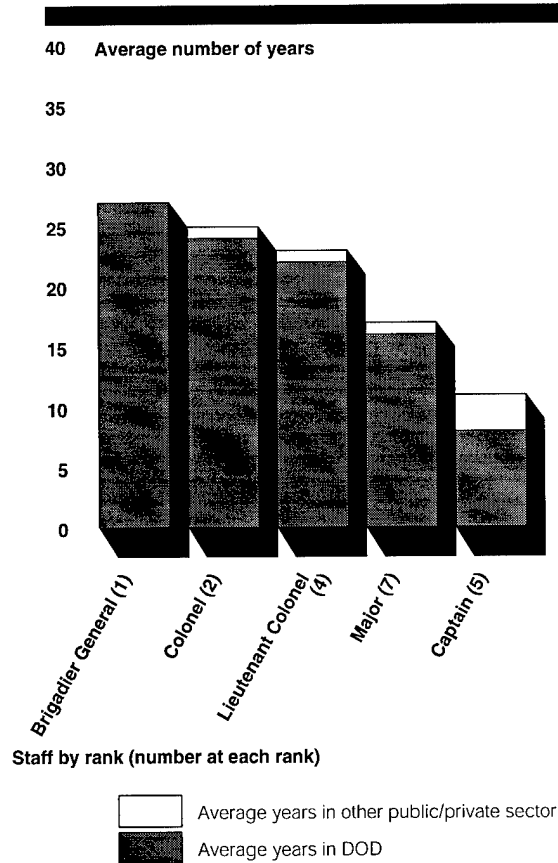
Of the latter group, seven officers and three civilians appear to have met the educational requirements to serve in GS-510 accountant positions.

Professional Work Experience Acquired

Figures IV.1 and IV.2 show the average number of years of work experience by rank for the 19 officers and by grade for the 9 civilians. The average was 18 years for the officers, ranging from 7 to 27 years, and 26 years for the civilians, ranging from 12 to 31 years. As the figures show, most of the respondents have spent the major part of their careers in DOD.

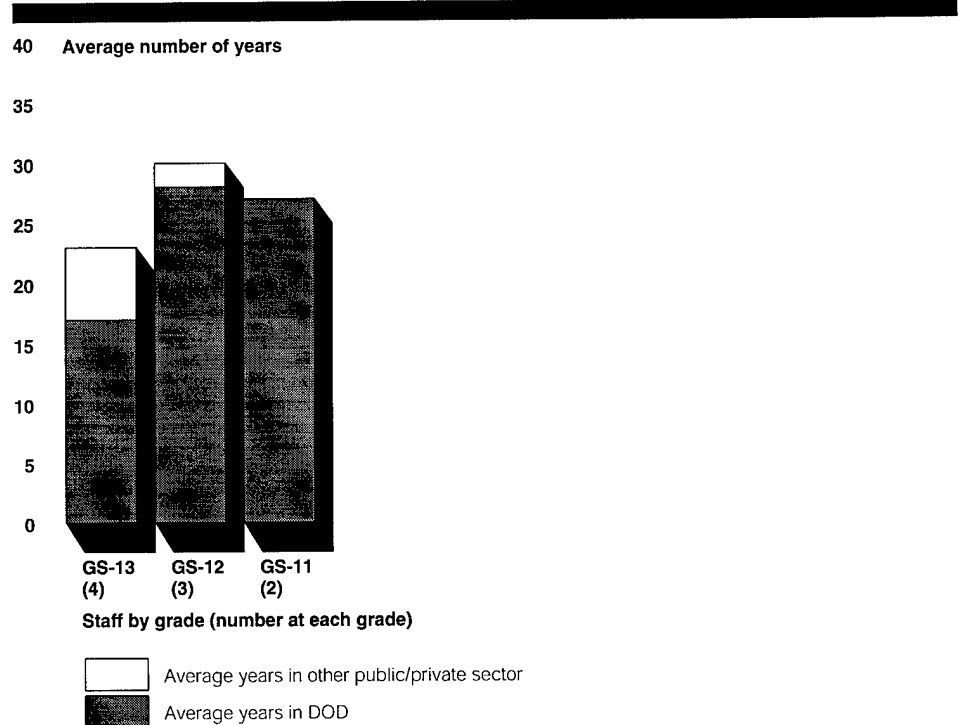
Appendix IV
 Profiles of Air Education and Training
 Command (AETC) and Installation
 Respondents

Figure IV.1: Professional Work
 Experience Reported by Training
 Command and Installation Financial
 Managers—Officers



Appendix IV
 Profiles of Air Education and Training
 Command (AETC) and Installation
 Respondents

**Figure IV.2: Professional Work
 Experience Reported by Training
 Command and Installation Financial
 Managers—Civilians**



Figures IV.3 and IV.4 show the number of officers and civilians who indicated that they had performed each financial management function previously outlined and the average number of years of experience in that function. The financial management function performed most frequently was financial analysis. A review of their profiles also showed that 10 officers and 5 civilians have performed tasks in 3 or more of these functions.

Appendix IV
Profiles of Air Education and Training
Command (AETC) and Installation
Respondents

Figure IV.3: Experience in Financial Management Functions Reported by Training Command and Installation Financial Managers—Officers

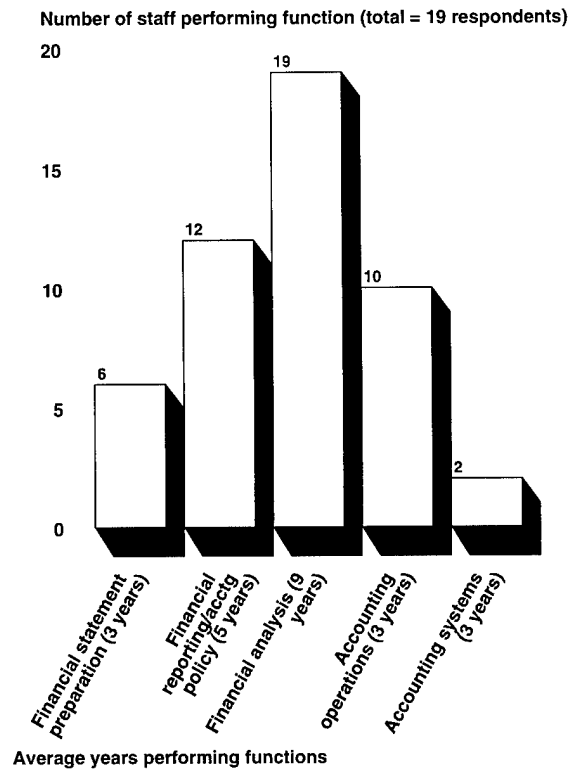
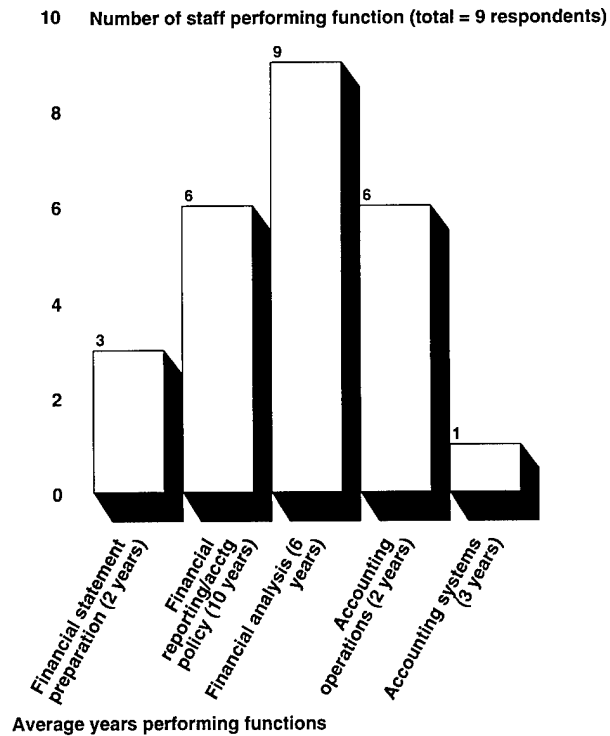


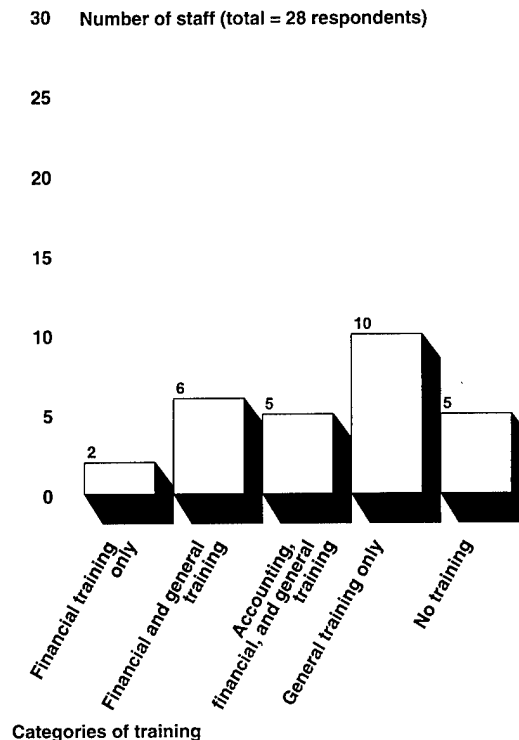
Figure IV.4: Experience in Financial Management Functions Reported by Training Command and Installation Financial Managers—Civilians



Training Completed During 1995 and 1996

Figure IV.5 shows the training reported by the 28 respondents as being completed during 1995 and 1996.

Figure IV.5: Training Reported by
Training Command and Installation
Financial Managers During 1995 and
1996



As indicated in the figure:

- total receiving accounting-related training: 5 (all officers),
- total receiving financial-related training: 13 (8 officers and 5 civilians),
- total receiving training in general topics: 21 (13 officers and 8 civilians), and
- total not receiving training: 5 (4 officers and 1 civilian).

Professional Certifications Held

Figure IV.6 shows the numbers and types of professional certifications held by the key training command and installation financial managers. Of the four holding these certifications:

- none were CPAS,
- one officer was a CGFM,
- none held other financial management-related certifications, and

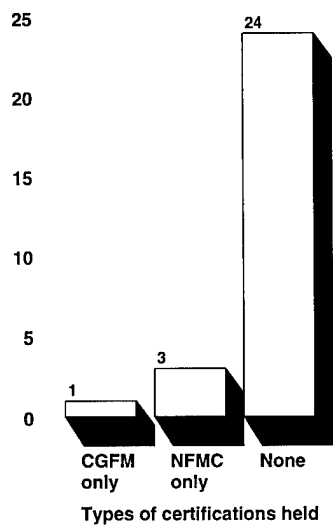
Appendix IV
Profiles of Air Education and Training
Command (AETC) and Installation
Respondents

- three officers held nonfinancial management-related certifications.

Of the 24 staff that did not hold professional certifications, 15 were officers and 9 were civilians.

**Figure IV.6: Professional Certifications
Reported by Training Command and
Installation Financial Managers**

30 Number of staff (total = 28 respondents)



CGFM: Certified Government Financial Manager

NPMC: Nonfinancial management certifications

Profiles of Working Capital Fund Respondents

The five air logistics centers (ALCS) within the Air Force Materiel Command (AFMC) managed a fiscal year 1997 budget of \$4.4 billion, derived from their customers' O&M accounts. The 20 key financial managers at AFMC and the ALCS provided information on their qualifications and experience. Table V.1 provides the ranks of the 3 officers and grades of the 17 civilians. The respondents included six comptrollers, four deputy comptrollers, five budget officers, and five working capital fund managers.

Table V.1: Number of Officer and Civilian Respondents

| Rank | Officers | | Civilians | |
|--------------------------|----------|--|------------------|-----------|
| | Number | | Grade | Number |
| Brigadier General (O-7) | 1 | | Senior Executive | 6 |
| Colonel (O-6) | 2 | | 15 | 5 |
| Lieutenant Colonel (O-5) | 0 | | 14 | 4 |
| Major (O-4) | 0 | | 13 | 2 |
| Captain (O-3) | 0 | | 12 | 0 |
| First Lieutenant (O-2) | 0 | | 11 | 0 |
| Total | 3 | | Total | 17 |

Formal Education Attained

As shown in table V.2, 19 of the 20 respondents held bachelor's degrees, with 3 of the 19 reporting more than one major. Seven majored in accounting.

Table V.2: Bachelor's Degree Majors Reported by Working Capital Fund Financial Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 0 | 7 | 7 |
| Other business | 2 | 6 | 8 |
| Nonbusiness | 1 | 6 | 7 |
| Total degrees | 3 | 19 | 22 |

As shown in table V.3, 14 staff also held master's degrees. The majors for five of these staff were business related.

**Table V.3: Master's Degree Majors
Reported by Working Capital Fund
Financial Managers**

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|---------------------------|
| | Officers | Civilians | |
| Accounting | 0 | 0 | 0 |
| Other business | 0 | 5 | 5 |
| Nonbusiness | 3 | 6 | 9 |
| Total degrees | 3 | 11 | 14 |

Of the 20 respondents, 18 (3 officers and 15 civilians) reported completing one or more courses in accounting-related subjects, as follows:

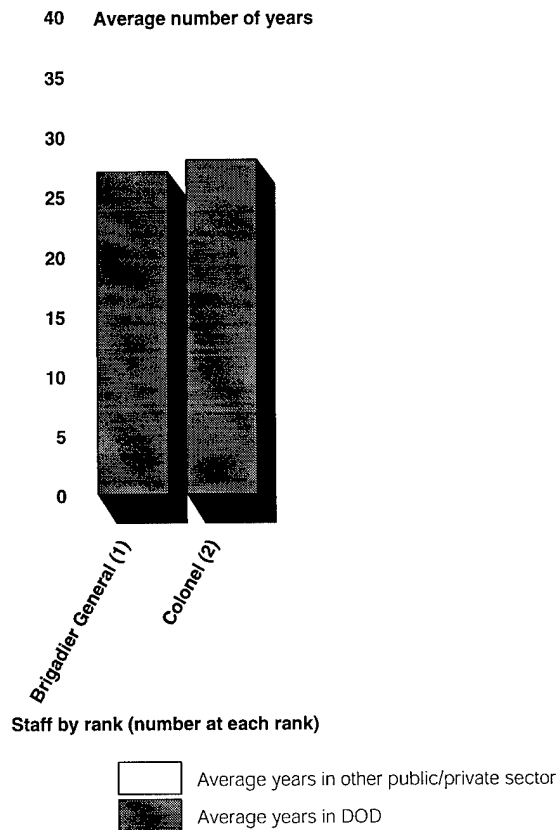
- 1-2 subjects: 3 (1 officer and 2 civilians),
- 3-5 subjects: 6 (2 officers and 4 civilians), and
- 6 or more subjects: 9 civilians.

All of the 9 civilians in the latter group appear to have met the educational requirements to serve in GS-510 accountant positions.

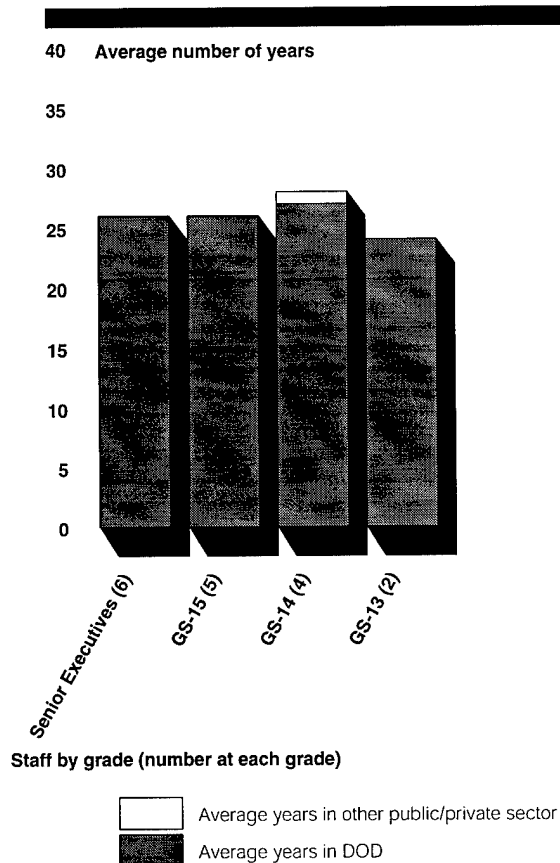
Professional Work Experience Acquired

Figures V.1 and V.2 show the average number of years of work experience by rank for the 3 officers and by grade for the 17 civilians. The average was 27 years for the officers, ranging from 27 to 28 years, and 26 years for the civilians, ranging from 17 to 32 years. As the figures show, the respondents have spent most of their careers in DOD.

**Figure V.1: Professional Work
Experience Reported by Working
Capital Fund Financial
Managers—Officers**



**Figure V.2: Professional Work
Experience Reported by Working
Capital Fund Financial
Managers—Civilians**



Figures V.3 and V.4 show the number of officers and civilians who indicated that they had performed each financial management function previously outlined and the average number of years of experience in that function. The financial management function performed most frequently was financial analysis. A review of their profiles also showed that the 3 officers and 10 of the 17 civilians have performed tasks in 3 or more of these functions.

Figure V.3: Experience in Financial Management Functions Reported by Working Capital Fund Financial Managers—Officers

4 Number of staff performing function (total = 3 respondents)

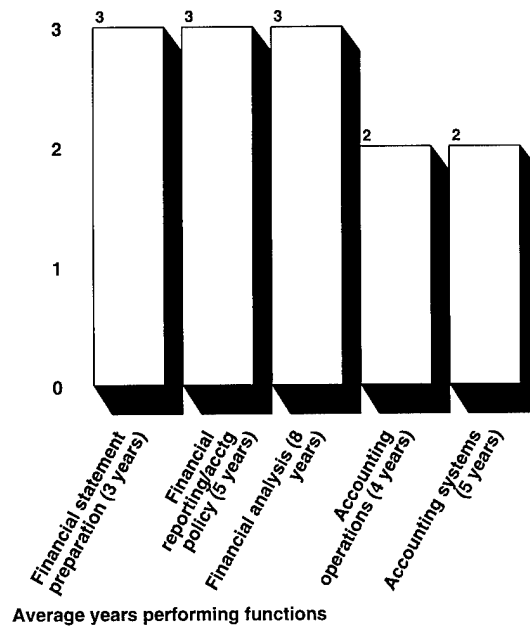
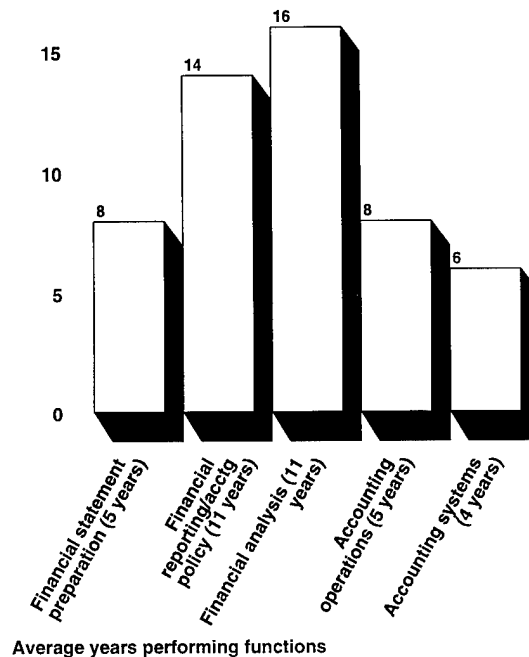


Figure V.4: Experience in Financial Management Functions Reported by Working Capital Fund Financial Managers—Civilians

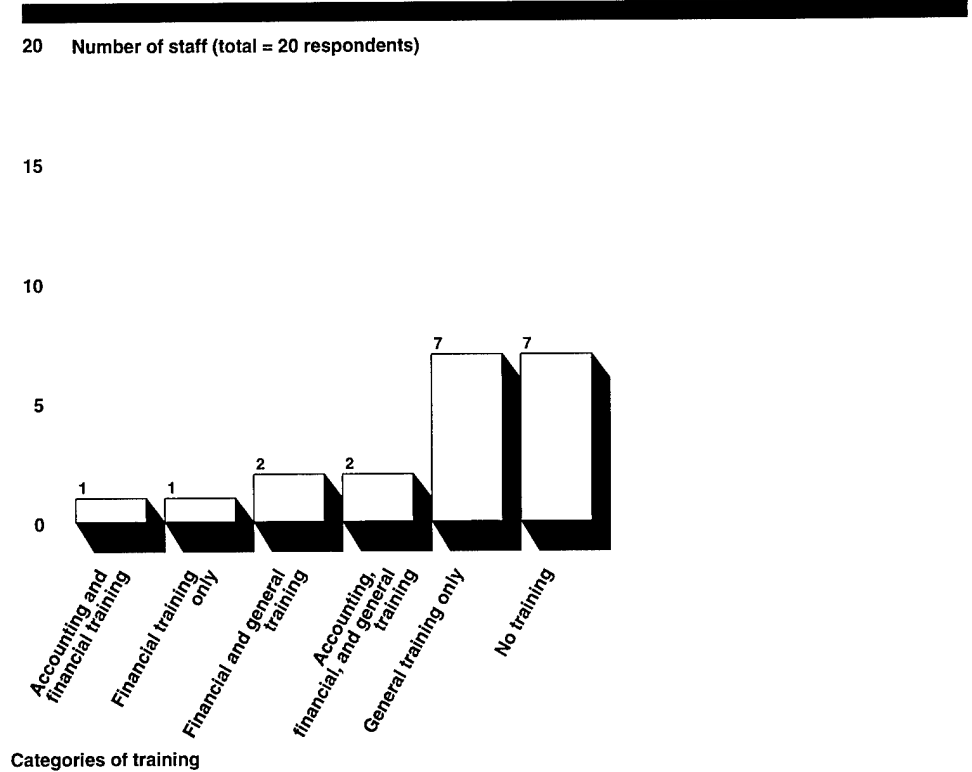
20 Number of staff performing function (total = 17 respondents)



Training Completed During 1995 and 1996

Figure V.5 shows the training reported by the 20 respondents as being completed during 1995 and 1996.

Figure V.5: Training Reported by
Working Capital Fund Financial
Managers During 1995 and 1996



As indicated in the figure:

- total receiving accounting-related training: 3 (1 officer and 2 civilians),
- total receiving financial-related training: 6 (1 officer and 5 civilians),
- total receiving training in general topics: 11 (1 officer and 10 civilians), and
- total not receiving training: 7 (2 officers and 5 civilians).

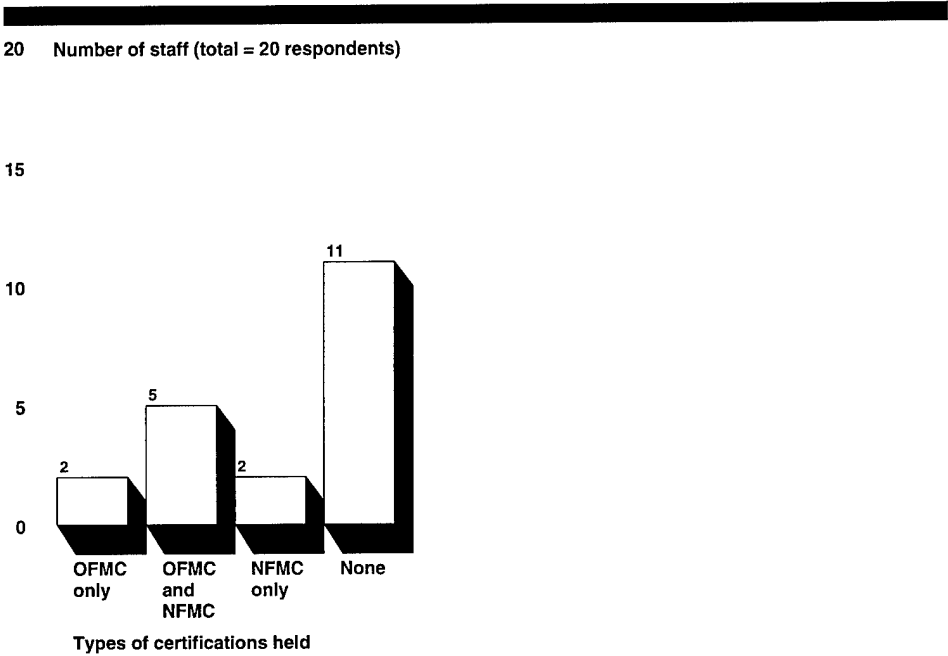
Professional Certifications Held

Figure V.6 shows the numbers and types of professional certifications held by the working capital fund key financial managers. Of the nine holding one or more of these certifications:

- none were CPAS,
- none were CGFMS,
- seven civilians held other financial management-related certifications, and
- seven civilians held nonfinancial management-related certifications.

Of the 11 that did not hold any professional certifications, 3 were officers and 8 were civilians.

Figure V.6: Professional Certifications
Reported by Working Capital Fund
Financial Managers



OFMC: Other financial management certifications

NPMC: Nonfinancial management certifications

Profiles of Product Center Respondents

In addition to the five air logistics centers, the Air Force Materiel Command (AFMC) also has oversight of product centers. The Aeronautical Systems Center, Electronics Systems Center, and Space and Missile Systems Center managed an O&M budget of \$1.22 billion, a RDT&E budget of \$5.23 billion, and a procurement budget of \$5.05 billion during fiscal year 1997. The 12 key financial managers at AFMC¹ and these centers provided information on their qualifications and experience. Table VI.1 provides the ranks of the six officers and grades of the six civilians. The respondents included four comptrollers, four deputy comptrollers, and four budget officers.

Table VI.1: Number of Officer and Civilian Respondents

| Officers | | Civilians | |
|--------------------------|----------|------------------|----------|
| Rank | Number | Grade | Number |
| Brigadier General (O-7) | 1 | Senior Executive | 2 |
| Colonel (O-6) | 3 | 15 | 4 |
| Lieutenant Colonel (O-5) | 2 | 14 | 0 |
| Major (O-4) | 0 | 13 | 0 |
| Captain (O-3) | 0 | 12 | 0 |
| First Lieutenant (O-2) | 0 | 11 | 0 |
| Total | 6 | Total | 6 |

Formal Education Attained

As shown in table VI.2, the 12 respondents held bachelor's degrees. Five majored in accounting.

Table VI.2: Bachelor's Degree Majors Reported by Product Center Financial Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 3 | 2 | 5 |
| Other business | 2 | 4 | 6 |
| Nonbusiness | 1 | 0 | 1 |
| Total degrees | 6 | 6 | 12 |

As shown in table VI.3, 10 staff also held master's degrees. The majors for eight of these staff were business related.

¹The comptroller, deputy comptroller, and budget officer at AFMC were also included in this review of the working capital fund financial managers.

Table VI.3: Master's Degree Majors
Reported by Product Center Financial
Managers

| Majors | Number of degrees | | Total degrees by major |
|----------------|-------------------|-----------|------------------------|
| | Officers | Civilians | |
| Accounting | 0 | 0 | 0 |
| Other business | 4 | 4 | 8 |
| Nonbusiness | 2 | 0 | 2 |
| Total degrees | 6 | 4 | 10 |

All of the 12 respondents reported completing one or more courses in accounting-related subjects, as follows:

- 1-2 subjects: 1 officer,
- 3-5 subjects: 5 (2 officers and 3 civilians), and
- 6 or more subjects: 6 (3 officers and 3 civilians).

All of the latter group appear to have met the educational requirements to serve in GS-510 accountant positions.

Professional Work
Experience Acquired

Figures VI.1 and VI.2 show the average number of years of work experience by rank for the six officers and by grade for the six civilians. The average was 26 years for the officers, ranging from 18 to 30 years, and 27 years for the civilians, ranging from 19 to 32 years. As the figures show, the respondents have spent most of their careers in DOD.

Figure VI.1: Professional Work
Experience Reported by Product
Center Financial Managers—Officers

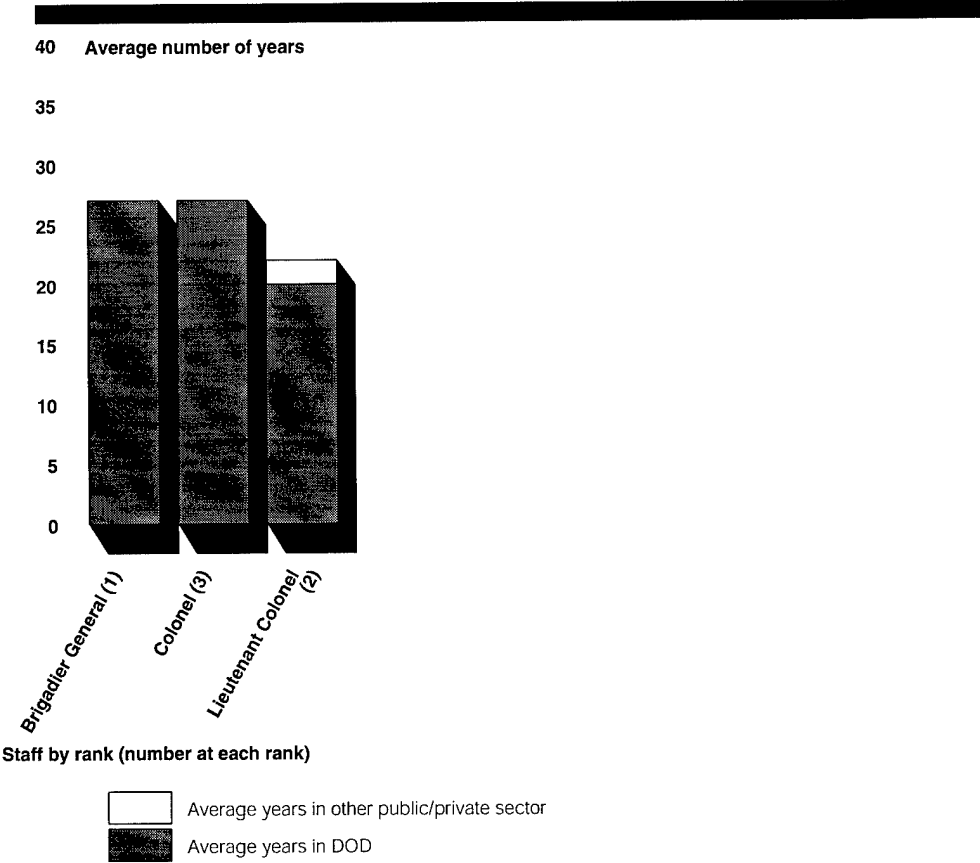
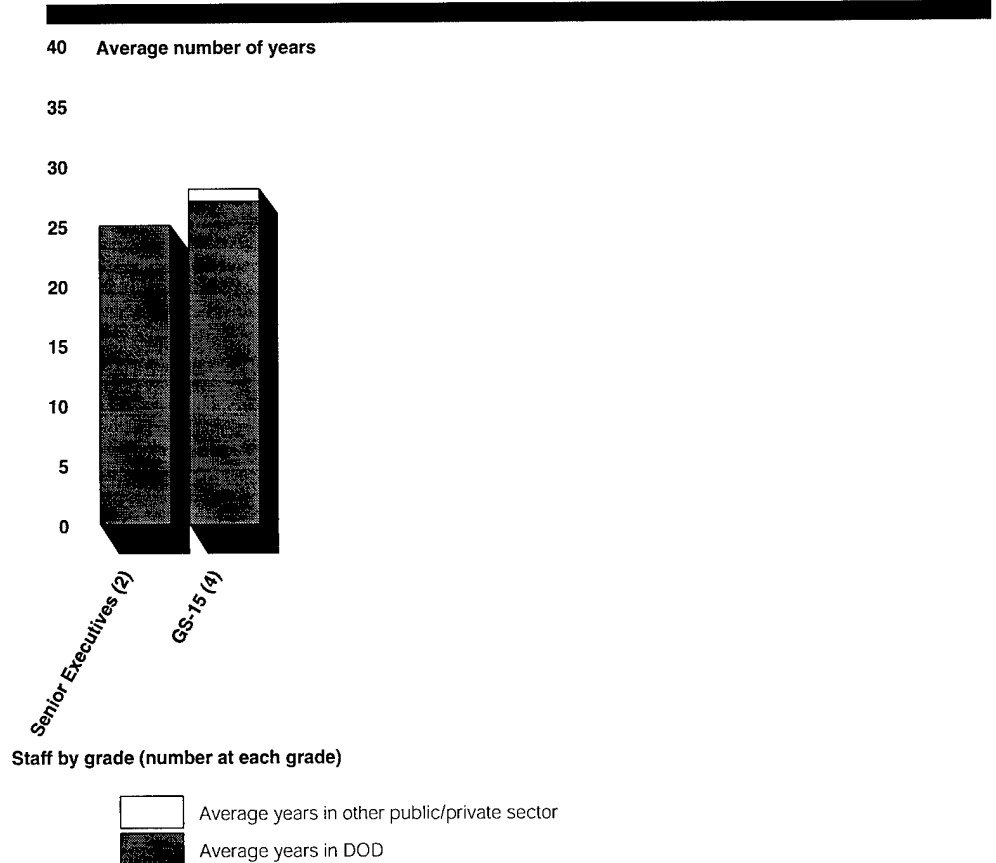


Figure VI.2: Professional Work Experience Reported by Product Center Financial Managers—Civilians



Figures VI.3 and VI.4 show the number of officers and civilians who indicated that they had performed each financial management function previously outlined and the average number of years of experience in that function. The financial management functions performed most frequently were financial analysis and financial reporting/accounting policy. A review of their profiles also showed that the four officers and one civilian have performed tasks in three or more of these functions.

Figure VI.3: Experience in Financial Management Functions Reported by Product Center Financial Managers—Officers

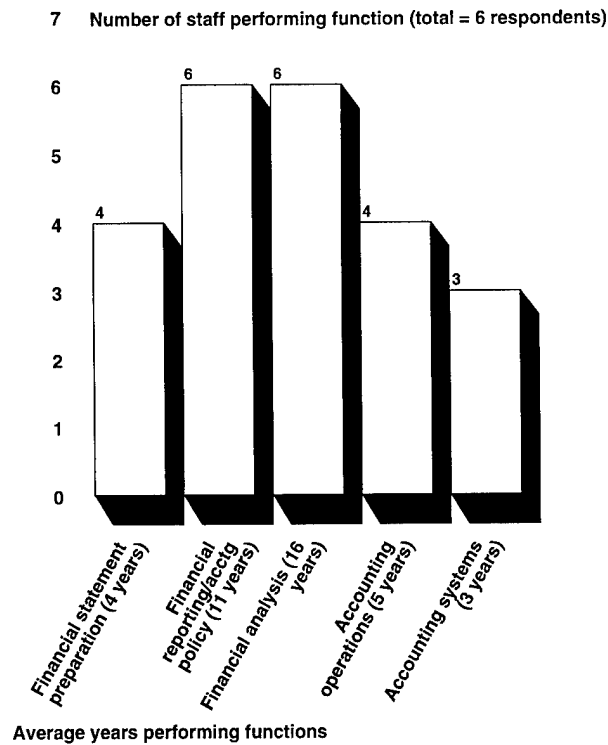
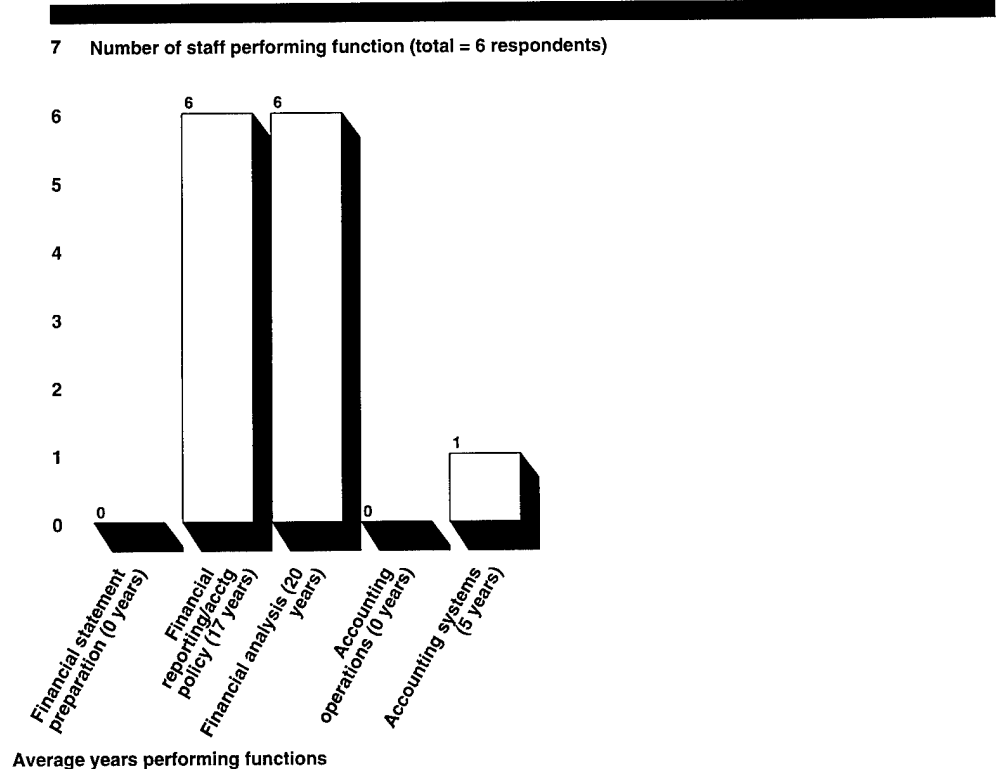


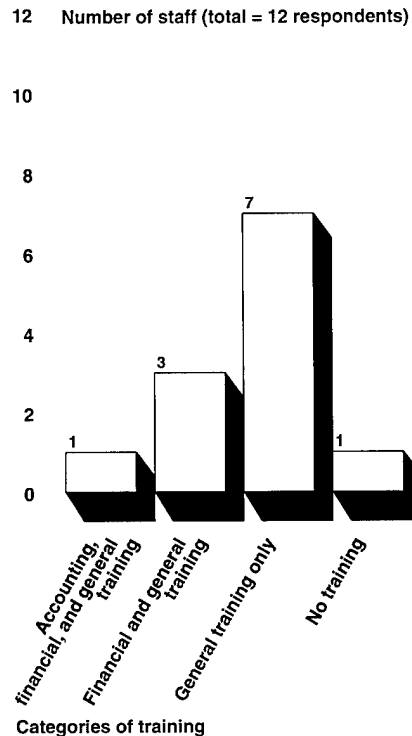
Figure VI.4: Experience in Financial Management Functions Reported by Product Center Financial Managers—Civilians



Training Completed During 1995 and 1996

Figure VI.5 shows the training reported by the 12 respondents as being completed during 1995 and 1996.

Figure VI.5: Training Reported by Product Center Financial Managers During 1995 and 1996



As indicated in the figure:

- total receiving accounting-related training: 1 (an officer),
- total receiving financial-related training: 4 (2 officers and 2 civilians),
- total receiving training in general topics: 11 (5 officers and 6 civilians), and
- total not receiving training: 1 (an officer).

Professional Certifications Held

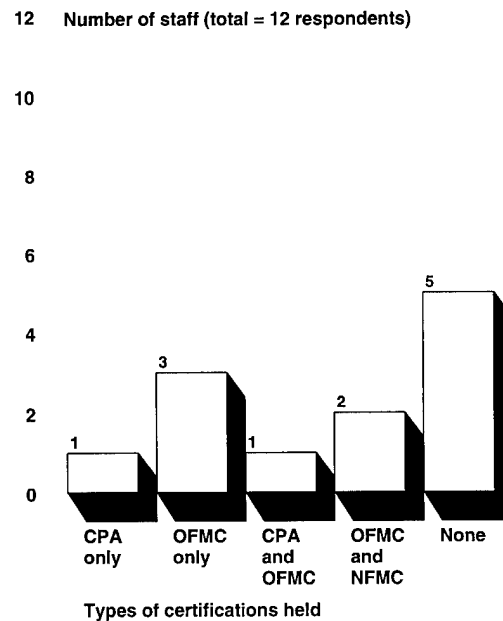
Figure VI.6 shows the numbers and types of professional certifications held by the product center key financial managers. Of the seven holding one or more of these certifications:

- two officers were CPAS,
- none were CGFMS,
- two officers and four civilians held other financial management-related certifications, and

- two civilians held nonfinancial management-related certifications.

Of the five staff that did not hold any professional certifications, three were officers and two were civilians.

Figure VI.6: Professional Certifications Reported by Product Center Financial Managers



CPA: Certified Public Accountant

OFMC: Other financial management certifications

NFMC: Nonfinancial management certifications

Comments From the Department of the Air Force



Office Of The Assistant Secretary

DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

03 NOV 1997

SAF/FM
1130 Air Force Pentagon
Washington, DC 20330-1130

Mr. Gene L. Dodaro
Assistant Comptroller General
Accounting and Information Management Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Dodaro:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report "FINANCIAL MANAGEMENT: Profile of Air Force Financial Managers," dated October 17, 1997 (GAO Code 918909/OSD Case 1478)."

The department generally agrees with the content of the draft and appreciates your office sharing the results of its review. The information will help the Air Force evaluate its military and civilian career programs to ensure Air Force financial managers provide the best possible service to customers.

However, we are concerned with parts of the report for it seems to overly emphasize the need for accounting courses and training. In the Air Force, we emphasize the need for our financial managers to have a broad financial background, rather than just accounting. Although some of them may not have accounting degrees, they have attended Air Force and DoD financial management courses and programs more applicable to their duties as Government financial managers, such as Professional Military Comptroller School, Financial Management Staff Officer Course, and the Army Comptrollership Program at Syracuse University.

Sincerely,

Handwritten signature of Robert F. Hale.
ROBERT F. HALE
Assistant Secretary of the Air Force
(Financial Management and Comptroller)

Major Contributors to This Report

Accounting and
Information
Management Division,
Washington, D.C.

George H. Stalcup, Associate Director
Geoffrey B. Frank, Assistant Director
Robert L. Self, Evaluator-in-Charge
Patricia A. Summers, Senior Auditor
Dennis B. Fauber, Senior Evaluator
Francine M. DeVecchio, Communications Analyst
Michele A. Howard, Intern

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (202) 512-6061, or TDD (202) 512-2537.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

<http://www.gao.gov>

United States
General Accounting Office
Washington, D.C. 20548-0001

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use \$300

Address Correction Requested

